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Southeast Asia Report



FOREIGN BROADCAST INFORMATION SERVICE

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9 February 1984

SOUTHEAST ASIA REPORT

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WEST AUSTRALIA DELEGATION VISITS PRC

Perth THE WEST AUSTRALIAN in English 11 Jan 84 p 2

[Text] The Minister for Minerals and Energy, Mr Parker, will join the Deputy Premier, Mr Bryce, on a WA delegation to China.

This brought an immediate reaction from the Opposition which said it was ridiculous for the Government to send two ministers.

Mr Bryce, who is leading the delegation, was the only minister named when the trip was first announced last month.

Mr Parker is going because of changed ministerial duties which make him responsible for resource development.

The visit is at the invitation of the Chinese Minister for Metallurgical Industry. Talks on iron-ore will be an important part of the trip.

A Chinese technical team was in WA late last year to look at the iron-ore industry.

Mr Bryce left Perth last Saturday for meetings in Singapore and Hong Kong on technological and scientific developments.

Mr Parker will leave Perth on Saturday.

The delegation will enter China next Tuesday for a 12-day visit that includes Peking, Shanghai and Qinghai Province.

The province has been designated for accelerated development and the Chinese are interested in Australian agricultural technology.

Representatives of the iron-ore industry and the WA Overseas Projects Authority will accompany the ministers.

The Opposition spokesman on economic development, Mr Peter Jones, said yesterday that it was ridiculous for the Government to send two ministers to China seeking long-term trading opportunities when WA was likely to lose a \$1 billion order for submarines to South Australia.

Prospect

Mr Jones said that the Government had apparently been out-manoeuvred by its ALP colleagues in South Australia on an immediate development prospect.

The Federal and South Australian Governments were discussing the proposed submarine deal and a proposed construction site at Port Adelaide had been inspected this week.

Mr Bryce should cancel his visit to China to try to rescue the situation for WA industry.

Mr Parker was well able to handle talks with the Chinese and Mr Bryce should try to reverse his failure to work for immediate jobs and industrial growth in WA.

A spokesman for Mr Bryce said yesterday that the WA Government was competing vigorously for the submarine contract. There was no evidence that South Australia was the favoured site.

Requests to tender were being considered in Canberra. The results were not expected till March.

Mr Bryce had visited submarine makers in Germany last year.

Mr Parker said that China was important in the world minerals market.

This held good prospects for WA as a reliable supplier of minerals.

The Chinese were interested in becoming involved in WA's iron-ore industry as a customer and as a possible equity partner.

CSO: 4200/428

CSR CHOSEN TO AID PRC WITH TECHNOLOGY

Melbourne THE AGE in English 14 Jan 84 p 18

[Article by Matthew Stevens]

[Text]

CSR has won a contract to help the Chinese Government adopt computer technology for the financial evaluation of large, offshore oil projects.

CSR was chosen by the Federal Government to provide the technology and manage Australia's participation in the technical co-operation project which the two countries started in 1981.

Participation in the project is funded by the Australian Development Assistance Bureau as part of Australia's aid program and it is estimated to cost \$1.6 million.

The contract is a further expansion of CSR's already substantial contact with the Chinese Government. The company has been selling sugar to China since 1958, is involved in oil exploration with the Occidental-led offshore exploration consortium and is discussing the possibility of providing technology for the

development of China's massive coal deposits.

CSR said yesterday that after a year of preparation the project began last week with the arrival in Sydney of six people from China's petroleum industry for an 18-months stay in Australia for tertiary training and work experience.

Additionally, the company will provide and install a computer in the Chinese Petroleum Planning and Engineering Institute in Beijing.

CSR said the development of its offshore oil and gas deposits has been an important national priority for China over the past two to three years. CSR is one of three Australian companies which have been successful in winning contracts to drill in Chinese waters and "it is a compliment to Australia to have been asked to supply this technology".

The other two companies involved in exploration in China are BHP and Ampol.

CSO: 4200/428

WHEAT HARVEST FOR 1983-84 BREAKS RECORD

Brisbane THE COURIER MAIL in English 14 Jan 84 p 14

[Text]

AUSTRALIAN wheat growers have rewritten the record books with deliveries so far of more than 17,700,000 tonnes for the 1983-84 harvest.

The previous highest figure was 17,500,000 tonnes from the huge 1978-79 crop.

The Australian Wheat Board chairman, Sir Leslie Price, said the board anticipated receipts of more than 19,500,000 tonnes, with large quantities of wheat yet to be harvested in Victoria, New South Wales and Western Australia.

It is unlikely that Queensland growers will reach their record 1978-79 total of 1,930,000 tonnes. Deliveries so far fall short of the record by about 100,000 tonnes.

A spokesman for Bulk Grains Queensland (formerly the State Wheat Board), Mr Ashley Hoey, said yesterday that receipts were expected to reach about 1,870,000 tonnes.

"We probably would have reached the record if not for continued rain in the latter part of the harvest," he said.

A record 60,000 tonnes was lost through hail damage.

The Bulk Grains chairman, Mr Don McKechnie, said weather conditions had severely affected crop quality.

Many growers would face cash flow difficulties in the next two years.

Sir Leslie Price said it was disappointing that, of the expected Australia-wide receipts of 19,500,000 tonnes, about five million tonnes would be downgraded because of damage caused by wet or dry weather.

Meanwhile, the Queensland summer sorghum crop is estimated to be at record levels with plantings of more than 500,000 hectares.

Mr McKechnie said some problems were expected in handling the crop because it came on the heels of a near-record winter crop. Large tonnages may be delivered to country depots to avoid the overloading of port storage.

CSO: 4200/428

EDITORIAL ON SINCLAIR ELECTION TO NATIONAL PARTY HELM

Melbourne THE AGE in English 18 Jan 84 p 11

[Editorial: "Sinclair: Leader at the Crossroads"]

[Text]

THE election as expected of Mr Ian Sinclair to the Federal leadership of the National Party raises more questions about the party's future than about Mr Sinclair's past. The New Year resignation of Mr Doug Anthony and the retirement early last year of Mr Peter Nixon left the party with little choice but to turn to the man whose ability, toughness and experience tower above those of his remaining colleagues. That he was not unopposed — as Mr Anthony had been 13 years ago — is at least partly a reflection of an uneasiness among some party members about Mr Sinclair's public image. But he can expect to command the loyalty traditionally accorded by the National Party to its leader, if not the unqualified respect and affection won by Mr Anthony and their mentor, Sir John McEwen.

Like the Liberal leader, Mr Andrew Peacock, Mr Sinclair has achieved his ambition to lead only after a long parliamentary career and while his party is in the doldrums of Opposition. Politically and personally, the two men are not as close as Mr Sinclair and Mr Malcolm Fraser were in Government, but there is no reason why they should not cement a cordial co-operation in the Opposition coalition. In one respect, Mr Sinclair is more fortunate than Mr Peacock: the National Party is more cohesive and less concerned about its

philosophy than the Liberals, and more supportive of its leaders. In another respect, he faces a harder task: the National Party's *raison d'être* is to promote and protect the perceived interests of its rural constituents, and to do that effectively it needs to regain a share of power.

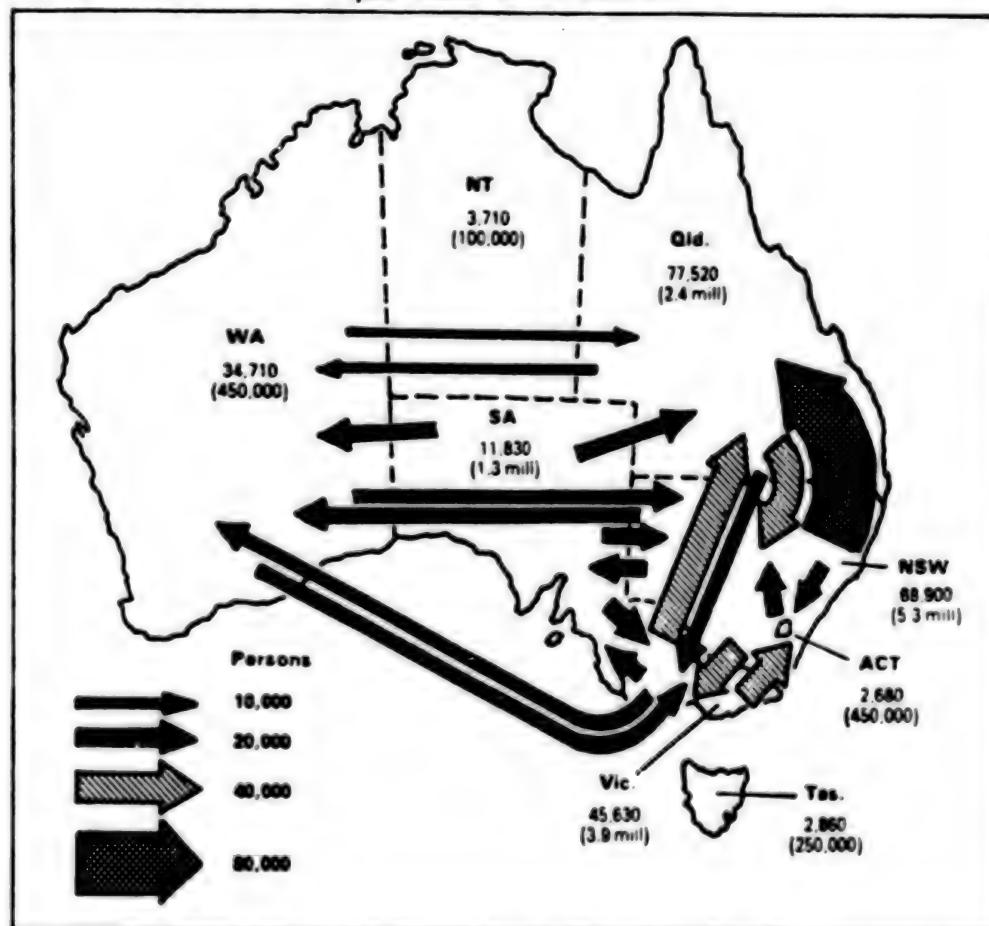
Although the National Party has always been distinguished by an unprincipled opportunism in pursuing its basic objectives, it is in a stage of transition, and its new leader is in a strong position to influence its direction. The change of name from Country to National signals a desire to broaden the party's electoral appeal, and allow it to expand from its limited but relatively secure rural base into traditional Liberal areas. Whether to compete against the Liberals for the conservative vote or to collaborate more closely with them in the struggle against Labor supremacy is a question the party has to determine. If it chooses co-operation, it must decide how far it can afford to compromise its obligation to its constituents in complying with the Liberals' new enthusiasm for financial deregulation, economic rationality and smaller government. In the longer term, the Nationals must choose between preserving a separate identity as a regional minority party or of submerging it with the Liberals in a truly national anti-Labor party.

DAILY REPORTS POPULATION GROWTH

Sydney THE SYDNEY MORNING HERALD in English 18 Jan 84 p 5

[Article by Richard McGregor]

[Text] CANBERRA. — Australia's population is growing faster than nearly all other Western countries, but not as fast as many nearby Asian countries. The 1983 review of demographic trends issued yesterday, puts the growth rate for Australia in 1981-2 at 1.7 per cent compared with Canada, 1.1 per cent, the United States, 1 per



Australian population shifts calculated from Bureau of Statistics 1981-82 figures. The increase in population for each State is shown with total population figures in brackets.

cent. New Zealand. 1 per cent. Japan. 0.7 per cent. and the United Kingdom. 0.0 per cent.

Australia's birth rate is about the same as these countries, but the expansion in the immigration program since its low point in the mid-seventies has increased the growth in population.

High fertility in countries such as Malaysia and India have kept them growing faster than Australia. Singapore, where there is active population control, has a growth rate of 1.1 per cent.

Assuming that about 75,000 immigrants will come here annually, Australia's population

— now slightly more than 15 million — will be 17 million by 1991, 18.9 million by the turn of the century, and 22 million by the year 2021.

There was a slight increase in the fertility rate in Australia among women in the peak child-bearing ages between 20-29 with 237,000 births in the whole community in 1982. This continued an upward trend over the previous three years, but was below the peak of 272,000 in 1971-72.

The review figures also confirm the almost well-settled trends of interstate immigration — away from the larger states of NSW and Victoria towards

Queensland, in particular, and Western Australia (see graph). The population growth rates in South Australia and Tasmania remain the lowest in the country.

The mortality rate has fallen, mainly among young and old people. The life expectancy for males is 71.4 years, compared with 67.9 in 1971, and 78.4 for females, compared with 74.6.

The review says that the size of the drop in the mortality rate may be exaggerated because of the high mortality rate of the preceding 10 years, mainly as a result of heart diseases.

CSO: 4200/428

CANBERRA WITHDRAWS FROM ANTARCTIC RESEARCH PROJECT

Melbourne THE AGE in English 16 Jan 84 p 8

[Article by Peter Roberts]

[Text] Australia has pulled out of this summer's main international collaborative research project in the Antarctic.

The acting director of the Antarctic division of the Department of Science, Dr Pat Quilty, confirmed yesterday that Australia had pulled out of SIBEX-1, the Second International Biomass Experiment.

He said that a Federal Government decision not to charter a fourth Antarctic resupply ship this summer had initially cut the duration of the planned oceanographic voyage from 40 days to two weeks.

"Then the Nella Dan got stuck in the ice on its first voyage down south," Dr Quilty said from Hobart. "That cut nine days out of the 14-day program... it wouldn't have been worthwhile."

The experiment, two summers of concentrated research aimed at learning about the marine ecosystem, was to have involved scientists from 11 nations. SIBEX-1 was to have concentrated on the oceanography of three regions, two of them off the coast of Australian Antarctic territory. SIBEX-2 next summer will revisit the same areas to study their biology.

Australia's contribution was to have been a geoscience survey of Prydz Bay near Davis Base carried out by the Nella Dan. The Nella Dan was fitted out for this sort of work in 1980 at a cost to Australia of \$2 million.

Marine research has long been regarded as a blind spot in Australia's Antarctic research efforts. SIBEX-1, the successor to an earlier international project that began in 1980-81, was Australia's main way of redressing its research imbalance.

Dr Quilty said that although some echo-sounding work and trawling would be carried out this month, Australia's Antarctic activities had again become virtually land-based.

"We are doing as much scientific research as we can with the logistic support we have got," Dr Quilty said. "But I think we are still reasonably small fry in terms of Antarctic science."

Dr Quilty said the other nations involved in the Prydz Bay work--Japan, South Africa and France--were extending their own work to partly cover the gap left by Australia. The rest would have to be made up next year to allow Australia to go ahead with the second part of the experiment SIBEX-2.

"Our participation in SIBEX-2 is still a little bit up in the air," Dr Quilty said. "It does depend on the availability of shipping next summer."

The lack of shipping this year has also hurt the 10-year \$58 million rebuilding program of Australia's three Antarctic stations. The building program at Davis station has been cancelled this winter.

CSO: 4200/428

INDONESIA WITHDRAWS AS HOST OF IPU MEETING

Israel's Presence Unacceptable

Jakarta KOMPAS in Indonesian 30 Nov 83 pp 1, 12

[Text] Indonesia has withdrawn as host of the meeting of the International Parliamentary Union (IPU) that was to be held in Jakarta early in 1984. After consulting with President Suharto at Merdeka Palace on Tuesday [29 November], Amirmachmud, the speaker of Parliament, said that Indonesia had withdrawn "because we cannot accept Israel's presence at the meeting on any grounds." He added that, "The president can understand Parliament's decision to withdraw."

He said that the leaders of Parliament had sent a letter to the IPU president and secretary general in Geneva informing them of the decision.

Earlier the leaders of Parliament sent another letter to the IPU president and secretary general informing them that Indonesia was prepared to host next year's meeting of the IPU on the condition that Israel, if it persisted in its present attitude toward Palestine and other Middle East Countries, did not attend.

When asked if Indonesia had withdrawn because the IPU president and secretary general had rejected this condition, Amirmachmud said, "I am not saying that. The fact is that they replied in a diplomatic manner."

Consistent with Policy

Jakarta PELITA in Indonesian 2 Dec 83 p 1

[Text] Minister of Foreign Affairs Mochtar Kusumaatmadja has said that the position taken by Parliament in withdrawing its offer to host the IPU meeting is consistent with government policy.

The minister made the comment to reporters on Thursday [1 December] after meeting with President Suharto at the Bina Graha building to report on the Gambian foreign minister's planned visit to Indonesia.

He also said that the government attaches great importance to the promotion of this type of foreign policy and for this purpose it must have the complete support of all the Indonesian people, including their representatives in Parliament.

Feeling of Satisfaction

Ismail Hasan Metarium, SH, the chairman of parliamentary commission I (defense, security, foreign affairs and information), says that Indonesia's decision to withdraw as host of next year's IPU meeting on the grounds that it cannot accept the presence of an Israeli parliamentary delegation has been received with a feeling of satisfaction.

He said that the decision is the logical consequence of principles of struggle that Indonesia has long and firmly upheld, principles that are inspired by the preamble to the 1945 Constitution, the Pancasila, and the main lines of national policy.

He also said that our withdrawal is one more indication of Indonesia's consistency in assisting and supporting the just struggle of the Palestinian people against Israel, a country that has bluntly resorted to armed force to seize the homeland of the Palestinian people and occupy the territory of other Arab states.

Saudi Ambassador

Indonesia's decision to withdraw as host of the IPU meeting on the grounds that it cannot accept the presence of an Israeli parliamentary delegation in Jakarta is greatly appreciated by the Kingdom of Saudi Arabia's ambassador to Indonesia, Sheikh Mohammad Said Basrawi.

The ambassador told an Antara reporter in Jakarta on Wednesday that "the government and people of the Kingdom of Saudi Arabia have the highest appreciation for Indonesia's firm decision."

Amirmachmud, the speaker of Parliament, announced Indonesia's decision to withdraw as host of next year's IPU meeting to reporters in Jakarta on Tuesday following a consultation with the president.

Ambassador Basrawi said that the Saudi government and people do not see Indonesia's decision as unusual because Indonesia has always stood firm in supporting the struggle of the Palestinian people to free their homeland from Israeli annexation, to determine their own destiny, and to establish a free and sovereign state.

"Indonesia, by withdrawing as host of the IPU meeting because it does not want to accept an Israeli parliamentary delegation, has once again demonstrated to the Arab peoples and to the international world the firmness of the position taken by the Indonesian government under the leadership of President Suharto in assisting and supporting the struggle of the Palestinian people and of the Arab peoples in general in opposing and confronting Israel," he said.

Withdrawal Is Sacrifice

Surabaya SURABAYA POST in Indonesian 30 Nov 83 p 6

[Editorial: "Our Withdrawal"]

[Text] Indonesia has withdrawn as host of the IPU congress--the congress was to have been held in Jakarta next year--because it cannot accept Israel's presence at the meeting.

Our national press community took the same firm position a few years ago when it withdrew as host of an international congress of newspaper publishers on similar grounds.

This sacrifice demonstrates the firmness and consistency of Indonesia's struggle against Zionism and in defense of the rights of the Arab nations, and for the Palestinian nation's right to independence in particular.

Indonesia's resolute stance may have a special significance during this time of crisis in the Middle East and of intensifying crisis in Lebanon, when the Arab and Palestinian nations need strong moral support. It proves that Indonesia supports them not only with words but with specific deeds, with sacrifice. Our withdrawal as host of a major event like the IPU congress is a sacrifice because the meeting could have been of some benefit to us.

Saudi Government Appreciates Decision

Jakarta HARIAN UMUM AB in Indonesian 1 Dec 83 pp 1, 7

[Excerpts] Dr H.J. Naro, SH, the general chairman of the central executive council of the United Development Party (PPP), says that he really appreciates Indonesia's decision to withdraw as host of the IPU meeting on the grounds that it cannot accept the presence of an Israeli delegation at the meeting.

Dr Naro, who is also a deputy chairman of the Supreme Advisory Council (DPA), told an Antara reporter in Jakarta on Wednesday [30 November] that the PPP and all of the Indonesian people enthusiastically welcome and are greatly relieved by the decision and the firm attitude displayed by Indonesia.

"We should extend our thanks and the utmost appreciation of the people to President Suharto and the Indonesian government, who said from the beginning that they would refuse to accept the Israeli parliamentary delegation if the meeting was held in Jakarta," he said.

He affirmed that the presence of an Israeli parliamentary delegation in Indonesia would be completely wrong, for it would conflict with principles of struggle that Indonesia has long upheld.

He emphasized that the firm rejection of the Israeli delegation was carried out in implementation of Indonesia's foreign policy, which has been active and independent for decades.

Warm Welcome

Ambassador Basrawi also said that he warmly welcomed that statement made by President Suharto on Tuesday in which he reaffirmed the support of the government and people of Indonesia for the Palestinian people's struggle to achieve independence.

The president's statement was contained in a message extended to the UN General Assembly in connection with the commemoration of 29 November 1983 as a day of international solidarity with the Palestinian people.

"It is fitting that we should convey our great appreciation and deepest gratitude to President Suharto for reaffirming Indonesia's unreserved support for the just struggle of the Palestinian people in this statement," the ambassador said.

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CSO: 4213/108

ECONOMIST EXPECTS INFLATION TO REMAIN LOW

Jakarta BUSINESS NEWS in English 16 Dec 83 p 4

[Text]

The inflation rate in Indonesia is expected to remain low next year because of not only the tight monetary policy, but also the weak purchasing power of the people, Dr. Dorodjatun Kuncoro Jakti has stated.

Speaking at a meeting organized by the Kadin magazine and Jawa Post newspaper here recently, the lecturer of the Economic Faculty, the University of Indonesia, pointed out that Indonesia's economic growth declined from nearly 10% in 1980 to 7.6% in 1981 and dropped further to only 2.2 percent in 1982.

The target of economic growth in Pelita IV is only 5% a year. In 1984, the first year of Pelita IV, the economic growth rate is projected to reach 3 to 4 percent, and it is estimated to go up to around 6% at the end of Pelita IV, Dorodjatun said.

With the fall in the economic growth, the guideline of the state policy (GBHN) has concluded the delay in the period to take off national development only with the available potentials and resources in the country by five years. This means Indonesia will be able to take off development efforts without external aid in Pelita VI, the economist explained.

Economic recovery in Indonesia usually occurs six months after recovery in the U.S. Therefore, the signs of recovery in Indonesia should begin emerging in the second quarter of 1984. Unlike Indonesia, Singapore at present begins noticing the

signs of recovery, as recovery in that country is usually three or four months behind the U.S.

Concerning non-oil/non-gas export drive, Dr. Dorodjatun suggested not too much expect the setting up of trading house which was costly and needed much time. He recommended the use of the Philippine pattern.

He explained that Philippine exports of various commodities to the U.S. were smooth thanks to, among others, the presence of a large number of Philippines in California.

CSO: 4200/418

FOREIGN COMPANIES NOT INVITED TO PARTICIPATE IN OIL PALM PROJECTS

Jakarta BUSINESS NEWS in English 14 Dec 83 p 7

[Text]

The government does not invite foreign private companies in developing oil palm plantations, as local private companies have been able to invest US\$. 100 million - US\$ 200 million in plantation projects, Minister of Agriculture Ir. Achmad Affandi stated at a meeting with Parliamentary Commission dealing with the state budget here recently.

The expansion of oil palm plantations is expected to cover 400,000 ha with a total cost of 1.2 to 1.3 million U.S dollars in the first stage. Indonesia will not export all palmoil to be produced by those plantations as part of the product will be supplied to local consumers, according to Affandi.

Concerning the overseas marketing of palm oil, the minister disclosed Indonesia already had a reliable channel for palmoil exports. Therefore, if there is a shortfall in the domestic supply of cooking oil, the government will prefer to import cooking oil, instead of disturbing the available palmoil export channel, Affandi said.

Prolonged drought occurring in 1982 and in the beginning of this year has caused the fall in copra production, but it is expected to be back to normal again in the coming five months, as a result of the favourable climate.

The minister did not rule out the possibility of exporting coconut oil, if the price of that product in the international market improves. In the effort

to increase coconut production, the government has initiated the planting of hybrid coconut seedlings, which has up to the present time covered ten units, three of which have produced around 5.9 million coconuts this year. The ten units of new coconut plantations are projected to produce 26.4 million coconuts at the end of Pelita IV.

The realisation of intensification, expansion and rehabilitation programs on coconut plantations is projected to cover 346,350 ha in Pelita IV; whereas the implementation of those programs on palm oil plantations is expected to reach 916,800 ha in the same period.

CSO: 4200/417

FORUM FOR NONOIL EXPORT PROMOTION TO MIDEAST SET UP

Jakarta BUSINESS NEWS in English 14 Dec 83 p 9

[Text]

APKINDO, ISA and INDOMELS have set up a forum of consultation and information about the transport of export commodities to the Middle East, to monitor the production of non-oil/non-gas commodities in the country and the marketing of those products to the Middle East.

The purpose of the setting up the forum is to provide information about the procurement of sea-cargoes, space in the ships and the transport rate.

Other associations dealing with exports to and imports from the Middle East are allowed to join the forum. At the first meeting, the forum determined the main ports for timber.

Indomels' vessels will regularly carry and unload timber from the Indonesian main ports to the Mideast main ports. The Indonesian main ports consist of ports having the potential to serve the exports of timber products to the Middle East. The Mideast timber main ports consist of ports in that region which regularly serve the unloading of timber products from Indonesia.

Based on the decision made by the forum, Indonesian timber main ports consist of Pontianak, Pangkalan Bun, Kijang, Palembang and Taboneo; while Mideast timber main ports comprise Muscat, Dubai, Dammam, Kuwait and Jeddah.

Indonesia's timber sub main ports are Tanjung Perak (Surabaya), Samarinda, Tanjung Priok, Semarang, Belawan, Langsa, Padang, Sibolga and Singkil. Timber sub

main ports in the Middle East consist of Abudhabi, Doha, Bahrein, Hideidah, Awaba and Suez.

Apart from that, the forum has also determined five timber outports in the Mideast region, comprising Alexandria, Sfax (Tunisia), Algier (Algeria), Lattakia (Syria) and Mersin (Turkey).

Indomels' vessels will call at Indonesia as well as Mideast timber main ports at least once a month, and sub main ports at least once in three months.

The transport rate for the shipment of timber products from Indonesian main ports to Mideast main ports has been fixed at US\$. 35/cu.m. FILO, regardless the volume and quality of the products. The rate for the transport of timber from and to sub main ports will be adjusted to the emergency freight rate already agreed by APKINDO, ISA and INDOMELS.

The rate and condition of the transport service between outports will be managed case by case based on direct negotiations between shippers and carriers.

CSO: 4200/417

ROMANIA ALLOWED TO BUY INDONESIAN OIL

Jakarta BUSINESS NEWS in English 16 Dec 83 p 3

[Text]

President Soeharto has decided to give opportunity to Romania to buy oil from Indonesia, Indonesian Ambassador to Romania Isnaeni disclosed after meeting the Head of State at the Bina Graha presidential office here recently.

An economic delegation from Romania will visit Indonesia shortly to hold talks with Indonesian officials on the stepping up of economic and trade relations between Romania and Indonesia, Isnaeni said. While here, the Romanian delegation will also have discussions with the minister of mines and energy and the head of the Pertamina state-owned oil company to explore the possibility of importing oil from Indonesia, he added.

Romania is one of East European countries accepting the counter purchase system Indonesia has offered. Indonesia's exports to Romania increased fivefold this year compared with those last year. The value of Indonesia's exports to that country rose from US\$ 3 million in 1982 to US\$ 16 million in 1983.

But based on the contracts already agreed upon, the target of Indonesia's exports to Romania in 1983 is around US\$ 40 million. The value of Indonesia's imports from that country has been recorded at US\$ 15 million this year. Thus, Indonesia has recorded a surplus of US\$ 0.9 million in trade with Romania this year.

Rubber and coffee have so far been the main Indonesia's commodities exported to Romania. But Indonesia's coffee has

begun entering Romania, traditional im-
porter of coffee from Brazil. Indonesia
has also begun exporting pepper to Roma-
nia, especially black pepper and white
pepper from Lampung.

Indonesia's imports from Romania
this year mainly consist of train coaches.
A number of 600 out of 1,400 train coaches
ordered from Romania have been completed
and part of the 600 completed train coa-
ches have been delivered.

CSO: 4200/418

OIL PRODUCTION, EXPORT, EXPLORATION FIGURES

Jakarta BUSINESS NEWS in English 14 Dec 83 p 8

[Text]

When the state-owned oil company Pertamina came to its 25th anniversary on December 10, 1983, OPEC decided to maintain its oil price at US\$ 29 per barrel & the maximum production of 17.5 million barrels a day.

The decision was made at a ministerial meeting of the Organisation of Petroleum Exporting Countries (OPEC) in Geneva recently. The quota of oil production given to Indonesia remains unchanged at 1.3 million barrels a day.

OPEC decided to reduce its oil price from US\$.34 per barrel to US\$.29 per barrel at a meeting in London on November 11, 1982.

Indonesia's oil production has been up and down in the past several years, recorded at 586,698 million barrels in 1978, 508,447 million barrels in 1979, 577,016 million barrels in 1980, 584,835 million barrels in 1981 and 488,189 million barrels in 1982.

Indonesia's exports of crude oil and oil products stood at 438,246,000 barrels worth US\$ 13,781,471.5 in 1980, 438,924,000 barrels worth US\$ 15,344,437.4 in 1981, and 365,176,000 barrels valued at US\$.12,642,692 in 1982.

Seismic oil exploration in 1983 is expected to cover 57,710 sq.km, slightly increasing compared with 57,430 sq.km. in 1982. The drilling of exploration wells is projected to reach 298 wells this year, compared with 238 wells in 1982.

Ten of 40 hydrocarbon basins in Indonesia have been intensively surveyed, 11

have been partly surveyed and the remaining 19 basins have not been studied.

LIQUEFIED NATURAL GAS : Indonesia's exports of LNG has up to the present time reached an average of 9.8 million metric tons a year and are expected to increase in 1986 with the realisation of the contract for LNG supply to South Korea from that year.

The shipment of LNG from Indonesia to Japan reached 4.586 million metric tons worth US\$ 1,355 million in the first seven months of this year.

Indonesia's exports of LNG from 1977 to 1987 is as follows:

Year	Number of shipment	Volume (million m.tons)	Value (US\$.million)
1977	11	0.613	80
1978	67	3,070	534
1979	111	6,298	1,116
1980	144	8,562	2,327
1981	153	8,649	2,497
1982	160	9,079	2,640
1983	168	9,533	2,547
1984	243	13,789	3,548
1985	261	14,747	3,826
1986	266	15,029	3,899
1987	290	16,385	4,251

The projection of LNG production in Pelita IV (fourth five-year development plan - 1984/85 to 1988/89) is 14.1 million tons in 1984/85, 15 million tons in 1985/86, 16.2 million tons in 1986/87, 17 million tons in 1987/88 and 17.2 million tons in 1988/89.

CSO: 4200/417

OIL PRODUCTION IN FIRST 6 MONTHS OF 1983

Jakarta BUSINESS NEWS in English 16 Dec 83 p 6

[Text]

Indonesia's crude oil production reached 214,369,105 barrels in the first six months of this year, including 102,025,268 barrels from production sharing contracts & 98,834,021 barrels produced based on working contracts. The production of crude oil by Pertamina and Lemigas (state-owned oil & gas agency) stood at 13,383,783 barrels and 98,834,021 barrels respectively.

The production of condensate based on the production sharing contracts and working contracts was respectively recorded at 15,882,169 barrels and 25,500 barrels in the first six months of this year. In the same period, the production of condensate by Pertamina reached 47,164 barrels, while Lemigas did not produce condensate.

The production of natural gas from January to June this year reached 392,156,940 MSCF from production sharing contracts and 37,043,771 MSCF from working contracts. The production of natural gas by Pertamina and Lemigas stood at 97,984,396 MSCF and 98,423 MSCF respectively in the same period.

According to data recorded by the Mines and Energy Department, contracts signed by Pertamina up to the end of June 1983 and still effective at present comprise :

- 61 contracts under production sharing agreements,
- four contracts under working contract agreements,

- two contracts under technical assistance agreement, and
- 11 contracts under joint operating arrangement.

Thus, Pertamina had up to the end of June 1983 signed 78 contracts now still effective. Those contracts involve 47 contractor companies.

On July 8, 1983, Pertamina signed new contracts with two foreign companies. A new contract based on the production sharing agreement was signed each with : Elf Aquitaine Indonesia based on the presidential permit No.B-16/Pres/5/1983 dated May 28, 1983; and Total Ques Kalimantan, based on the presidential permit No. B.21/Pres/6/1983 dated June 29, 1983.

On November 28, 1983, Minister of Mines and Energy Dr. Subroto announced that on November 28, 1983 Caltex began operating in Indonesia based on a production sharing contract with a 88 : 12 split. The contract is effective for 18 years. With the new contract agreement, the management of the oil exploration/exploitation undertaken by the contractor is in the hands of Pertamina. Caltex's crude production is at present 600,000 barrels/day.

On the same day, Minister Subroto witnessed the signing of a document for the transfer of the old operational areas covered in the working contract between PT Stanvac Indonesia and Pertamina. On the occasion, Stanvac transferred the old areas to Pertamina. Stanvac has got two new operation areas in Indonesia to be handled based on a production sharing contract.

The cost of oil production by contractor companies based on production sharing contracts and working contracts from 1977 to 1981 reached an average of between US\$ 1.62 and US\$ 3.66 per barrel. The cost components comprise: the direct production, exploration and development, administration and general, and depreciation.

Indonesia's revenue from the operation of contractor companies active under production sharing contracts and working contracts has continued to increase, from

only US\$ 5.8 billion (gross) in 1977 to US\$ 6 billion in 1978, US\$. 8 billion in 1979, US\$ 14.6 billion in 1980 and US\$. 16.7 billion in 1981. The net profits gained by the contractors were recorded at US\$ 1.1 billion in 1977, US\$ 1 billion in 1978, US\$ 1.1 billion in 1979, US\$ 2.3 billion in 1980 and US\$ 2.6 billion in 1981.

Compared with the overall state revenue, the income collected from the oil and gas sector reached around 55% in 1977, 1978 and 1979, and around 70% in 1980 and 1981.

CSO: 4200/418

COUNTER-PURCHASE TRADE STILL FACES OBSTACLES

Jakarta MERDEKA in Indonesian 16 Nov 83 pp 1, 11

[Text] Jakarta, 15 November—Implementation of the counter-purchase trade program is often hampered or delayed because purchases by the government technical departments involved often do not follow the previously planned time schedule. Often, Indonesian export commodities sought by foreign suppliers are not available on time.

This was stated by Rachmat Saleh, minister of trade, in testimony before Committee VII of Parliament, which on this occasion was presided over by N. A. Malik, the chairman of the committee, at the Parliament building on 15 November.

Answering questions from Committee VII of Parliament, the minister declared that in the framework of the counter-purchase program, the respective winners of bids to provide government equipment have gradually begun to import non-petroleum and natural gas commodities from Indonesia.

According to the minister, the imports are arranged after presentation of a "letter of undertaking" to the Department of Trade. The overall value of Indonesian commodities exported up to the end of August 1983 under this program is about \$180 million.

Meanwhile, the counter-purchase contracts signed since the government policy was announced in January 1982 and covering the period up to August 1983 are valued at \$603 million. However, with the rescheduling of several projects, the total value has been reduced to \$542.3 million.

The minister said that the counter-purchase contracts involve the purchase of fertilizer, railway freight and passenger cars, contraceptives, generators, the expansion of the Patal Bekasi project, telephone switchboards, passenger ships, mining equipment for the Ombilin coal mine, aircraft, and equipment for the international airfield at Cengkareng [near Jakarta].

The countries which have won these bids include the Federal Republic of Germany, Japan, the United States, Canada, Romania, Great Britain, the Republic of Korea, Singapore, and the German Democratic Republic.

Commodities purchased from Indonesia under the counter-purchase program include rice bran, wheat, crumb rubber, coffee, rubber, tin, children's toys, black tea, liquid latex, plywood, ready-made clothing, lumber, shrimp, black pepper, rattan, and so forth.

Answering another question concerning the collection of taxes on export commodities, the minister stated that up to the present collections have been good, both in the form of taxes and excise charges which are based on certain laws and regulations. The excise charges are collected as a source of receipts for the central or provincial government involved.

The minister said that in fact the government has decided to reduce these collections. Recalling that these collections are closely related to the question of permits now in effect, both on behalf of the central as well as provincial governments, the government has decided to review this question, in order to determine which permits are still needed and which are no longer required.

Collections of this kind, the minister admitted, have an influence on the structure of export commodity prices and finally affect the competitiveness of Indonesian export commodities in the foreign market.

5170

CSO: 4213/90

PROJECTED INCREASE IN 1984 RICE PRODUCTION

Jakarta MERDEKA in Indonesian 2 Dec 83 p 10

[Text] Engr Wardoyo, the junior minister for increased food production, says that rice production in the first year of the Fourth 5-Year Plan (Pelita IV) is projected at 25,146,000 tons, an increase of 7.17 percent over the 23,462,000 tons produced in 1983. The junior minister spoke at the Department of Agriculture's 1983 leadership meeting in Jakarta on Wednesday [30 November].

"An increase of 7.17 percent over the 1983 figure is feasible if the weather is good, even though it will be hard for us to do," he said.

The junior minister told personnel engaged in the program for increased food production that, "We hope that next year's rainy season and dry season will help us, and that there will be no sudden outbreak of plant disease. All of these things will require our joint vigilance."

He also said that it has been projected that the 1984 rice harvest will cover an area of 9,420,000 hectares, which includes 7,343,000 hectares that are under the "BIMAS and INMAS" intensification programs and other land not covered by these programs. It is hoped that the average yield per hectare can be increased to 26 quintals per hectare, or 3.7 percent more than the average yield per hectare in 1983.

The junior minister also said that the production of food crops other than rice, and of soybeans, cassava and mung beans in particular, is expected to increase. Especially in the case of soybeans, it is hoped that production can be increased to a level 20.3 percent higher than the level achieved in 1983.

He called on his audience to seek out and explore opportunities leading to the development of efficient and effective innovations that can be used to increase production and achieve the projected targets.

Commenting on the success of agricultural development and particularly the increase in food production during the last 15 years, the junior minister said that while much has been achieved there are still obstacles that must be overcome.

Regarding the efforts that will be made to increase food production in coming years, he said that the decision has been made to continue and improve the policy measures that have been carried out in the earlier 5-year plans.

BULOG ACCUSED OF TRYING TO KILL JUTE BAG INDUSTRY

Jakarta KOMPAS in Indonesian 15 Nov 83 pp 1, 9

[Text] Jakarta, KOMPAS--The decision by BULOG [Bureau of Logistical Affairs] not to purchase domestically produced jute bags until May 1984 amounts to a desire to kill the domestic jute bag industry. After this industry goes out of business, in future years our needs for jute bags will have to be imported. A. Baramuli, master of laws, a member of Parliament, and chairman of APKI (Association of Indonesian Bag Producers), told a KOMPAS representative last week: "This action by BULOG does not promote domestic industry but serves only BULOG's own interests. Indeed, it would be better for BULOG to contact private firms for their mutual benefit."

This statement was made regarding the BULOG declaration that this government body will not purchase jute bags until May 1984. The reason given is that the present stock of 24 million jute bags is considered sufficient.

Five private companies manufacturing jute bags face a cloudy future because 20 million jute bags now on hand, valued at about 16 billion rupiahs, remain unsold. Indeed, the quantity of jute bags on hand continues to grow. If this problem is not quickly resolved, the five firms fear they will have to close down. Already some of their workers have been laid off. The five jute bag factories are: PT Indonesia Nihon Seima, PT Poleko Sulinda Industries, PT Teguh Sri Kurnia, PT Guna Jaya, and PT Koyo Mulyo.

Help Each Other

Baramuli said that relations between the jute bag factories are better than they are with BULOG. Relations between private companies usually involve mutual assistance, and there may even be cooperation.

Therefore, if the customer of the five jute bag factories were not BULOG, but rather a private company, the problem of an excess stock of jute bags would not be particularly difficult. This is because a private company would certainly purchase bags in order to help other companies in difficulty.

Baramuli said: "In the private business world there is a practice of mutual assistance. Furthermore, if one company has been a customer of another company for a long time, providing help becomes a kind of moral obligation."

However, because they are dealing with a state-owned company, that is, BULOG, the practices that apply to private companies cannot be used in this case. The government company gives first priority to its own interests, rather than incurring a small loss to protect the interests of its customer.

Forced to Import

Baramuli said that up to the end of 1983 the productive capacity of the jute bag industry had steadily declined and he predicted that it would not last long. By the beginning of 1984 he thought that this industry would be out of business.

He said: "If this happens, in 1984 the jute bag industry will no longer be able to meet domestic requirements for jute bags. The factories may have to be sold at auction."

Later on, when BULOG needs jute bags, there will be no jute bag industry, and it will be necessary to import jute bags. This is very ironic. On the one hand the domestic bag industry is unable to market its products. On the other hand, after the domestic industry has closed down, jute bags will have to be imported, Baramuli said.

He asked whether this problem could not be handled more efficiently. For example, BULOG could buy some of the domestic production of bags which are now in excess. The price doesn't have to be high. It could remain at the level of 800 rupiahs per bag, as previously set by the government. If necessary, the manufacturers could be urged to pay 0 percent interest, that is, the interest on the loan BULOG could obtain from government banks to purchase the jute bags.

Not a Single Purchaser

Baramuli rejected the view that the domestic producers of jute bags are relying on a single purchaser, that is, BULOG. He said this "was only the case" because the government had designated BULOG as the purchaser of rice produced by the farmers at a time when prices were falling.

Baramuli said: "We are not relying on BULOG but rather on a feasibility study which was prepared by BAPPENAS [the National Planning Body]."

Based on a BAPPENAS projection, annual requirements for jute bags in Indonesia amount to 150 million bags. This is based on domestic rice production of up to 13.4 million tons, so that annual requirements are really 134 million bags for rice. With the addition of requirements for commodities other than rice, the total national requirement is for 150 million bags.

On the basis of this projection, five jute bag factories were constructed. In addition to the production of jute bags by PT Perkebunan XVII in Delanggu, Central Java, total productive capacity of jute bags is now about 70 million per year. Based on the BAPPENAS projection, a production of 70 million jute bags should not have been difficult to sell. However, the fact is that now it is estimated that domestic requirements are only 35 million bags per year. Indeed, BULOG itself bought no bags at all in 1983.

Baramuli considers that the jute bag industry is rather strategic, because jute bags are needed to provide for safe storage of agricultural commodities. Furthermore, if non-petroleum and natural gas commodities are included, such as corn, coffee, and other estate agricultural products, and if the production of these things increases, requirements for jute bags will be very substantial. If we depend on imports for Indonesian requirements for jute bags, the Indonesian position will be very weak.

Baramuli concluded: "For these reasons we must pay attention to the position of the jute bag industry. If our domestic bag requirements are not met, our farmers will suffer."

5170

CSO: 4213/90

INCREASED UNEMPLOYMENT FORESEEN IN AGRICULTURAL SECTOR

Jakarta MERDEKA in Indonesian 1 Dec 83 pp 1, 11

[Text] Engr Achmad Affandi, the minister of agriculture, says that during the Fourth 5-Year Plan (Pelita IV) there will be an increase in concealed unemployment in the agricultural sector, particularly in food crop agriculture, and that this will produce a decline in work productivity in rural areas.

In a briefing presented at a leadership meeting of the Department of Agriculture in Jakarta on Wednesday [30 November], the minister said that in our efforts to cope with rural unemployment we are faced with the problem of finding ways to check the rapid and continuing fragmentation of cultivated land and the population growth rate.

Referring to statistical data he said that the number of farmers who work only one-half hectare of land rose from 6.6 million in 1973 to 11 million in 1980, and that the number of farm laborers who own no land rose from 7.5 million in 1977 to 8 million in 1980.

"These figures indicate that the increase in the labor force cannot yet be fully absorbed by development sectors outside the agricultural sector, and that there is still a very large number of workers who have been absorbed by the agricultural sector as farm laborers," he said.

He said that the decrease in the size of plots of cultivated agricultural land and the increase in the number of small farmers indicates that the increase in the labor force in the agricultural sector is much greater than the increase in the amount of land available for agriculture.

This results in increasing unemployment, and particularly concealed unemployment in rural areas, he said.

The minister called on the participants in the 1983 leadership meeting to try and overcome this situation by thinking of ways to diversify agricultural employment, both horizontally and vertically, so that more rural workers can be absorbed.

With regard to the efforts that will be carried out to increase agricultural production in Pelita IV, the minister said, "We will continue the activities that proved successful in Pelita III, that is, the basic activities of intensification and extensification."

"Extensification and diversification must receive the most attention during Pelita IV, not only to increase production but also to increase the absorption of manpower," he added.

Need for Improvement

During the briefing Minister Affandi expressed the hope that the offices of the Department of Agriculture that were represented at the leadership meeting would be able to think of ways to improve the modus operandi being followed in the program for large state-owned estates, the nucleus estate and smallholders program (PIR program), the project for the expansion, rehabilitation and rejuvenation of export crops (PRPTE project), and in the utilization of the exclusive economic zone.

He pointed out that some economists and sociologists are now questioning the role played by large estates in increasing the state's holdings of foreign exchange. The experts say that giving priority to increased earnings of foreign exchange means that the estates have to be operated efficiently, and in their efforts to achieve efficiency the large estates are resorting to practices that were common in colonial times, that is, the estate workers are being oppressed and exploited by estate managers.

The minister pointed out that while the large estates increase the state's earnings of foreign exchange, they must also be able to improve the socio-economic status of surrounding communities and of the workers.

"I hope that the leadership meeting will be able to formulate an optimal modus operandi to solve this problem and overcome this divergence," he said.

Regarding the PIR program, the minister said that there are indications that the smallholders will continue to be treated like cattle by the managers of the nucleus estates because the smallholders are weak and naive.

He asked the meeting to consider whether or not more special regulations should be issued to ensure that the PIR program is properly carried out.

The minister also asked the meeting to think of ways to ensure the optimal implementation of the modus operandi being followed in the PRPTE project and in the utilization of the exclusive economic zone.

Briefings were presented by the minister of agriculture, the junior minister for increased food production, the junior minister for increased fish and livestock production and the junior minister for the increased production of cash crops on the second day of the 1983 leadership meeting of the Department of Agriculture.

Working meetings were held in each of the department's directorates general following the presentation of the briefings.

THREE PULP, PAPER PROJECTS PLANNED

Jakarta BUSINESS NEWS in English 16 Dec 83 p 8

[Text]

The government is at present planning to handle three large scale pulp and paper industrial projects. The first project is a paper plant in Cilacap, Central Java, with a capacity of 200 tons a day.

The planned Cilacap paper factory will use pinus wood as the raw material. The World Bank has provided assistance for engineering study and the procurement of basic materials for the plant which will be built with capital entirely made available by the government.

The second project is a pulp & paper plant in Sesayap, Kalimantan. Worth US\$ 800 million, the project is to be undertaken under a joint venture with the Sabah Foundation. It is difficult to get financial sources abroad, as the feasibility for the realisation of the plan is very low. A U.S. company is at present revising the feasibility study of the project for the optimization of investment.

The revision of the result of the feasibility study is expected to be completed in 1984. The main problem in the handling of the project is that the investment needed is higher than that required for the setting up of a pulp and paper plant with the same capacity in other areas.

The third project is the planned Barito pulp and paper plant in Kalimantan with a capacity of around 200 tons/day. The plant will use Dacrydium wood from Central and South Kalimantan as the raw material. The plant will be managed

under a joint venture between PT.Inhutani
II state-run forestry company and a French
company, Sogel. The feasibility study for
the handling of the project, financed by
France, has been completed. Taiwan will
handle the pulping test.

CSO: 4200/418

OPIC TEAM EXPRESSES INTEREST IN EXPANDING INVESTMENT

Jakarta BUSINESS NEWS in English 14 Dec 83 p 4

[Text]

The President of the United States Overseas Private Investment Corporation (OPIC), Craig A. Nalen, told the press here recently that the one-week visit of 23 American businessmen in the OPIC mission to Indonesia was fruitful.

It is now up to the businessmen in the two countries how to arrange the next steps, Nalen said. The businessmen are challenged to seize the opportunities and initiate investments, he added.

Several companies participating in the OPIC mission are going forward with projects pending necessary government approval and final identification of joint venture partners. With the recent visit of the OPIC mission, those companies have made progress in their negotiations.

The OPIC president told Business News here previously that a lot of American businessmen were interested in making investments in Indonesia and looking for Indonesian partners.

OPIC is a government agency set up to boost U.S. investment in other countries, with priority given to U.S. small companies, outside the 1,000 biggest companies in the U.S. The assistance given by OPIC to small scale companies is in the form of :

- direct loans (without subsidy);
- guarantee to obtain credits, if banks hesitate to extend credits to the companies concerned; and
- political risk insurance.

According to Nalen, Indonesia is outside the group of countries with high

risk, but the payment of premiums depends on the kind of investments. For example, he pointed out that the premiums for investments in the energy field were bigger than those in the agribusiness field.

Basically, projects receiving assistance from OPIC must have favourable impacts to the host countries. In this connection, Nalen said OPIC provided no assistance for investment in the liquor industry.

Nalen estimated that the premium for political risk in Indonesia was about 1.5 percent.

In connection with services for investments in Indonesia, Nalen expressed the hope that Indonesia would reduce excessive bureaucracy and effectively implement a one-station-service system. He stated his view that Indonesia had made much progress in the effort to attract foreign investors, especially thanks to the assurance for the return of the invested capital.

Indonesia is considered attractive to American investors as a result of the recent steps taken by the Indonesian government, such as the rupiah devaluation and the rephrasing of a number of big projects.

CSO: 4200/417

AGREEMENT REACHED WITH CALTEX ON NEW CONTRACT

Production Sharing Formula

Jakarta SINAR HARAPAN in Indonesian 29 Nov 83 pp 1, 12

[Excerpts] Dr Subroto, the minister of mining and energy, announced on Monday afternoon [28 November] that an agreement has been reached with PT Caltex Pacific Indonesia (Caltex) on the formula that will be used in the company's new production sharing contract. The contract will be based on an 88:12 formula.

Following a ceremony at which he signed documents of transfer for PT Stanvac Indonesia's operating area, the minister told reporters that the new production sharing contract with Caltex has a term of 18 years and takes effect today. Caltex is the largest foreign oil company in Indonesia.

It is estimated that Caltex produces about 650,000 barrels of oil a day from its oil fields in the Riau area of Indonesia. This is about 50 percent of Indonesia's total daily production. The company has been operating under a work contract for the last 20 years, and this contract expired on 27 November.

A reporter asked the minister if he was satisfied with the new formula. "Yes, comparing it with the 85:15 formula of the work contract, the production sharing contract with Caltex is an improvement," he replied.

He added that there are several other matters that must be settled before the contract can be signed. He was not prepared to describe these matters except to say they dealt with investments.

Two Months of Talks

Minister Subroto's announcement on Monday afternoon that agreement has been reached on an 88 (for Indonesia) to 12 (for Caltex) formula for the production sharing contract constitutes the high point in negotiations that have gone on for 2 months. The talks were preceded by an exchange of notes and were carried out in several stages, at different levels, and at various locations. Reportedly, the Indonesian negotiating team initially proposed a formula of 92:8. This was reduced to 90:10 and eventually to a "clean" 88:12. Drs Joedo Sumbono, Pertamina's executive director, earlier denied that the Indonesian team had offered a 90:10 split.

The term "clean" as used in connection with the production sharing formula means that the formula is applied before Caltex settles certain obligations.

It is believed that Caltex held out for a formula of 87.5:12.5 for some time during the negotiations.

Sources contacted by SINAR HARAPAN on Monday evening said that they were not sure that Caltex had agreed to the 88:12 formula announced by Dr Subroto without asking for some concessions.

Risks Involved

Caltex has stressed that the planned use of a secondary recovery process at the Duri field in Riau will require an investment of \$3 billion over a 20-year period. The company has also said that very expensive technology is required to force steam into the ground to liquefy viscous oil that cannot be pumped out, and that there are risks involved.

However, experts who have studied the development of the company over the years have told SINAR HARAPAN that the risks are being exaggerated. They also say that if the planned investment is figured on an annual basis it will come to about \$150 million a year and that this should not place too great a burden on the company, considering the profits which the company has made for years and which are a matter of public record. The experts also say that risks will be borne jointly by the company and Pertamina under a production sharing contract.

Observers contacted by SINAR HARAPAN have said that they assume that even though Minister Subroto has announced that agreement has been reached on a 88:12 formula for the production sharing contract, it will take some time before the specific details of the formula can be spelled out in a written contract.

Three Billion Dollar Investment

Jakarta KOMPAS in Indonesian 3 Dec 83 pp 1, 12

[Text] Caltex is required to make new investments of \$3.060 billion in the oil sector over the next 18 years. Of the total amount, \$1.5 billion is to be invested in the secondary recovery of oil using the steam flooding process and the remainder is to be used for oil exploration in new fields. These stipulations take effect with Caltex's shift from a work contract to a production sharing contract. The new contract runs from 29 November 1983 to 9 August 2001 and is based on an 88:12 production sharing formula.

Pertamina's executive director, Drs Joedo Sumbono, said in Jakarta on Friday afternoon [2 December] that "these stipulations are necessary to ensure that there is no drastic decline in Caltex's production and that production will continue to increase, or at least remain stable, until the year 2000. And consequently, these stipulations are the main reason that an 88:12 division of profits was established."

The investments will be supervised by Pertamina since, with the conversion to a production sharing contract, the management of the company is in Pertamina's hands. Caltex is Pertamina's contractor and must submit a schedule of operations each year. Pertamina also will require Caltex to draw up a schedule of operations showing the size of the area it plans to flood with steam and the amount of steam that will be used.

Impossible

Joedo said that Caltex also had signed a production sharing contract in 1971 when the price of oil was around \$4 a barrel. Indonesia, wanting to increase oil production, which required a large investment, proposed that Caltex raise its production, since studies showed that the company could increase production from a level of 400,000 to 600,000 or 700,000 barrels a day.

"Based on the price of oil at that time, Caltex recognized that it would not recover the funds it had invested to increase oil production by the time its work contract expired in 1983. Therefore, the company asked for a guarantee that it would be permitted to convert to a production sharing contract after 1983," Joedo said.

However, by 1977, when the company's production reached 725,000 barrels a day, the price of oil had risen so high that it was impossible that Caltex had not recovered its investment, and this is why Indonesia/Pertamina wanted the 1983 production sharing contract to be based on a 95:5 formula, Joedo said.

Preserving the Possibility

Joedo said that Indonesia, as the host country, occupied a strong bargaining position in the negotiations. The negotiations lasted 6 months and intensive talks were held during the last 3 months. Indonesia could have demanded a 95:5 split, he said, but this might have killed any possibility of investment on the part of Caltex.

He noted that Caltex has extensive facilities and that Indonesia can learn from the company. Also, Indonesia would need a large amount of funds and a high level of technology to increase oil production, and there are risks involved.

"Caltex will be required to make investments over a period of 18 years, with the largest outlay during the first 10 years. During this period an intensive program of investments will have to be carried out and this will require an average of \$300 million a year," he said.

By turning the program over to Caltex, Indonesia will be able to save funds for other development objectives and will also escape the risks that are involved. It also will be able to use this period to train personnel in the oil sector, to prepare technicians to operate the oil fields by themselves.

However, if Caltex does not adhere to the investment program then Indonesia will review the apportionment of production and again ask for a 95:5 split.

Production can be reviewed even though the application of the 88:12 formula began on 28 November 1983, he said.

Joedo said that if Caltex does succeed in increasing production through the new investment program, then Indonesia/Pertamina will regulate production to ensure that it conforms to conditions on the oil market. This will be done primarily with respect to the oil quotas received by Indonesia/Pertamina, he said.

Incentives

The Pertamina executive director said that incentives will be discussed on a case by case basis. Pertamina will provide incentives for secondary recovery operations that use the steam flooding process if it becomes clear that production is not reaching the anticipated level.

Joedo gave the example of a secondary recovery operation that required an investment of \$100 million per well and was expected to produce 80 million barrels of oil. If the wells produced only 40 million barrels it would mean that there would be a very small return on the investment and "an incentive could be discussed in this case, but it would not be more than one-half percent," he said.

Describing the negotiations with Caltex, he said that Caltex initially asked for a 86.5:13.5 split but this was immediately rejected by Indonesia. A formula of 87.5:12.5 was then suggested but the formula finally agreed on was 88:12. During the talks Caltex noted the current decline in the price of oil and the possibility that it would receive a small return on its investment. Therefore, after agreeing to the new formula of 88:12, Caltex asked Indonesia to be flexible and provide a discount.

Indonesia felt that it could not provide a discount as this might set a precedent for other contractors, so to solve this problem it offered to provide incentives on a case by case basis.

In response to a question about the investments made by Caltex to date, Joedo said that this matter was discussed separately. He said that Caltex claims that it has not recovered \$448 million of funds invested between 1971 and 1982.

After negotiating the matter Caltex finally agreed to repayments of \$113 million a year over a 5-year period. Part of the funds that Caltex has invested in oil exploration are being used for a secondary recovery project. Caltex initiated the project some time ago. These funds are not included in the new investments of \$3.060 billion which begin in 1983.

Signing of Contract

Joedo said that the production sharing contract based on the 88:12 formula is expected to be signed before the end of December.

He said that this would be more like signing an amended contract because Caltex had already signed a production sharing contract with Indonesia/Pertamina. The earlier contract was signed on 9 August 1971 and covered areas where Caltex was already operating under a work contract. The work contract was signed in Jakarta on 25 September 1963 and took effect on 28 November 1963 for a 20-year period.

The 1971 production sharing contract contained provisions that were customary at that time, including a 70:30 division of profits. This was considered to be better than the 60:40 formula of the work contract, or the 65:35 formula of other production sharing contracts.

However, new terms and conditions were incorporated in the production sharing contracts that took effect between 1976 and 1978, and at that time Caltex announced that it was willing to amend its 1971 contract to reflect these new provisions, which included a 85:15 division of profits.

Indonesia had decided prior to the expiration of Caltex's contract, and after the sharp rise in the price of oil and the increase in Caltex's production, that it would not be appropriate to use the 85:15 formula in a contract with Caltex. This decision was based on the fact that the 85:15 formula was used for new contractors who had to begin operations in unexplored areas, make large investments, and bear substantial risks.

This situation does not exist in the areas managed by Caltex, for the company has known reserves. The Duri field alone has reserves of 6,280 million barrels, of which some 325 million barrels had been removed as of 1 January 1981. The remaining reserves will be lifted using the steam flooding process, and this can increase production from a level of 40,000 barrels a day to 310,000 barrels a day.

Prof Dr Engr Johannes, former head of Gajah Mada University, points out that Caltex itself has said that its calculations show that with oil priced at \$35 a barrel the company will have total profits of \$74,529 million between November 1983 and December 2001, when its production sharing contract expires. The company calculates its total investment at \$2,685 million, its operating costs at \$2,538 million, its net profit at \$4,917 million, and the government's profit at \$64,389 million.

According to Johannes, in making this statement Caltex has indirectly agreed to the application of a 93:7 formula for the Duri oil field, even though the company itself must provide modern technology and investment funds.

Joedo Sumbono noted that initially there was a tendency to favor the 95:5 formula. However, he said, this would have meant that Indonesia/Pertamina would have had to handle all of the investments. The adoption of the 88:12 formula gives Caltex the opportunity to make the investments, but if Caltex does not adhere to the terms of the contract then Pertamina will review the situation and go back to the 95:5 formula, he said.

Assets

During his meeting with the reporters from the capital area, Joedo also said that after Caltex changes over to the production sharing contract all of the company's assets will become the property of Indonesia/Pertamina. Consequently, as soon as the contract is signed an inventory will be conducted to determine which assets belong to Caltex and which assets have been leased in other countries to support the company's operations in Indonesia. Leased equipment will be inventoried because it will become the company's property.

Joedo also said that Pertamina will be informed of the wages paid to employees because expenditures for wages are included in the contractor's operating costs.

5458

CSO: 4213/110

CREDITS TO ECONOMICALLY WEAK BUSINESSMEN

Jakarta BUSINESS NEWS in English 14 Dec 83 p 10

[Text]

The extension of credits to economically weak businessmen through various mini credits schemes, such as KIK, KMKP, Candak Kulak and Kredit Kecil, reached Rp 3.5 trillion with around 18 million borrowers in the first eight months of this year, around 25% of the entire bank credits recorded at Rp 13.3 trillion in the same period. This was disclosed by the Junior Minister for Promotion of Domestic Production, Ir. Ginanjar Kartasasmita, at a symposium on small and medium scale business cooperation here recently.

The role of small scale companies is still small compared with the number of those companies operating in this country, according to the minister. In this context, he pointed out that value added created by small scale companies reached only around 8.76% of the entire value added produced in the country, whereas the number of workers absorbed by these companies was as big as the number of those working in the medium and large scale companies.

Referring to the construction field, Ginanjar said the portion of works handled by small scale contractors covered only about 10% of the entire construction works. The position of small scale businessmen in the trade sector is not better than their position on other sectors, the minister revealed.

The problem is how to give financially weak businessmen a bigger portion in the trading channel which has so far been

tightly held by financially strong businessmen, according to Ginanjar.

In this connection, he suggested economically weak businessmen/companies to make joint efforts to strengthen their position. He mentioned cooperatives as an appropriate means to step up cooperation among them.

CSO: 4200/417

CONSULTING SERVICES BELIEVED NECESSARY FOR DEVELOPMENT OF SMALL INDUSTRIES

Jakarta BUSINESS NEWS in English 16 Dec 83 p 7

[Text]

The urging and most important need Indonesia is at present facing is the creation of more job opportunities, especially for the young people, and small companies as well as cooperatives are the best means for the expansion of job opportunities. Alwyn J. Young, consultant of the Management Educational Institute (LPPM), stated at a seminar on consultation services for small companies & cooperatives here recently.

On the occasion, Alwyn Young explained to the participants of the seminar the change in the pattern of the labour force as a result of the modernisation of industry. He pointed out that in the 19th century manpower was supported by machines, but in the current century machines are supported by manpower. Modernisation always results in the replacement of manpower and the creation of unemployment, while the role of labourers is lessening.

The change of pattern in the labour force also occurs in Indonesia, in the manufacturing industry as well as the agricultural field. The planting of paddy of superior varieties and the modernisation of the agricultural sector leads to the reduction in the number of paddy harvesters and rice hulling labourers, mainly women.

The small scale progress in the application of technology has closed job opportunities for around 2 million labourers in the past 12 years. Modernisation

in the industrial sector has also reduced job opportunities for craftsmen who produce various kinds of handicraft products such as plaiting products, ceramics and farming tools in rural areas.

Consultation services are required by small companies and cooperatives which play a role in the creation of job opportunities. The services of professional consultants are badly needed by businessmen operating small companies and cooperatives, as they are generally weak in all aspects, from the production to the marketing.

Ir. Sukmono, director of BIPIK (centre for development of small industries), said meanwhile that based on data collected by the Directorate General for Small Industries, over 1.5 million units of small industries operated in about 40,000 villages in Indonesia in 1981, giving jobs to around 4.5 million of workers.

Businessmen operating small companies in the developing as well as advanced countries are generally reluctant to deal with government officials assigned to control small industries, as most of those companies do not fully fulfil the requirements. Therefore, effective and useful consultation services for small companies can be provided by professional private consultants, according to Sukmono.

There are 75,000 units of smallscale industries, equipped with machines, operating in Indonesia at present. They badly need management consultation services.

The consultation fee should not be fully borne by the economically weak businessmen. It can also be entrusted to credit banks, major companies which have subcontracted their orders, government agencies dealing with small industries & cooperatives.

According to Alwyn Young, Indonesia needs at least 40,000 professional Consultants to serve small scale companies. He expressed pessimism about the success of the government programs for the development of small industries without the assistance of those consultants.

EDITORIAL ADVOCATES INCENTIVES FOR TAX COLLECTION

Jakarta BUSINESS NEWS in English 16 Dec 83 p 2

[Editorial: "Taxes and Incentives"]

[Text]

In the new tax bill the government follows the principle that taxes do not constitute an important means of economic control by providing incentives (and imposing disincentives). The government sees the basic role of taxes as an earner of fairly big revenues. Even more so because in the coming periods this function will enjoy main priority.

Incentives, e.g. for capital investments, the promotion of sectoral activities, etc. should be given through budget expenditures, so that they are not related to the aspect of state revenues. This may imply that subsidies will be preferred to tax reductions. Or infrastructural development to stimulate investments and production. The logic in this fiscal principle cannot be denied.

Is it a general principle popular in the world? It is not clear. Everywhere in the world the tax system is still much related to the granting of incentives. The reason behind the government intention to apply the new principle may be that in the past, the tax system was already used to a great extent for the provision of various incentives, causing the tax pattern to become complicated and less fruitful.

For instance, foreign and domestic investments are granted tax holidays and investment allowances, and special relief is given to investments for exports and those employing a lot of manpower (e.g. electronic subassembling). Different

sources of income get special rates, e.g. for house leasing, doctor's fees, cooperatives, the exception for civil servants, the tax exemption for time deposit interest, etc.

Naturally the system of income tax should not constitute a disincentive for capital investments and business operation. Therefore, in the government's view, income tax rates are lowered, from the maximum of 45-50% to 35% at most. Depreciation can be accelerated. All this is generally applied, without differentiating the sectors, forms of activities, and parties concerned.

Viewed from the macro-economic angle, for the sake of standardisation and simplification of the tax system, all this is understandable.

On the other hand, Indonesia's macro-economic interest is not only to safeguard and increase public savings (the surplus in the routine budget to finance development efforts in the government sector), but rather, the entire national savings (government and private) must be preserved and enhanced. So isn't it necessary to boost private savings, through the banking system, through companies, through various systems of insurance, through family savings, etc. ? Can this be encouraged through budget expenditures, for instance through subsidies ?

The government in fact already realises this necessity and has moved slightly backward. The tax that under the bill is supposed to be imposed on time deposit interest, is excepted for some time. Since deposit interest rates are now fairly high, savings at banks, especially state banks, will definitely increase. These banks have now reportedly been facing the problem of how to invest or lend this liquidity.

The business sector remains sluggish today as a result of the recession. Capital investments with 18% (rupiah) interest and more do not yet arouse businessmen. Furthermore, the tax bill stipulates a levy on interest paid to foreign creditors, which is bigger than the present rate (from 10% withholding tax to 20%).

If the demand for long term investment credits declines, domestic banks will in the future be compelled to reduce their deposit interest rates. Private banks are no longer as bold as state banks.

Hence if we are supposed to stimulate (private) savings, capital investments must also be aroused, because the one depends on the other.

One sector in fact enjoys a tax incentive from the new tax system, i.e. the export sector. For the purpose of exports, all kinds of sales tax are excepted or given restitution facilities.

Jakarta, December 15, 1983

CSO: 4200/418

EDITORIAL DISCUSSES POVERTY IN COUNTRY

Jakarta BUSINESS NEWS in English 14 Dec 83 pp 3, 4

[Editorial: "Poverty and Development"]

[Text]

In the economic condition where the growth level has gone down and is believed to decline in 1984, it is worthwhile for us to make a further observation of poverty in Indonesia.

For this purpose two scientific works by which two doctorate degrees have been achieved deserve our discussion. Moh. Arsyad Anwar got the degree with "summa cum laude" while Sam F. Poli received it with most satisfactory result.

While Moh. Arsyad Anwar of the University of Indonesia focussed on the role of agriculture in the Gross National Product, Sam Poli of Hasanuddin University specialized his research in equity & the condition of poverty.

However, both scientists have discovered situations that are worthy of our attention:

1. According to Arsyad Anwar, "dualism" in the Indonesian economy remains prevalent in our economic structure. The consequence is that in the "modern" or urban sector a high growth rate is noted while in the "traditional" or rural sector the rate is not as high.
2. According to Sam Poli, poverty particularly prevails in Java's rural areas and the rate of income distribution has not shown significant improvement at the national level.
3. Sam Poli has found out that for the low income population the fulfilment

of carbohydrate and food demand is still far from adequate.

Sam Poli has also proposed that the targets in the coming Pelita IV should cover those for the achievement of social welfare as well.

Naturally the research work and analyses by the two scientists are far broader and more profound, rather than only as described above. But for the purpose of discussion on poverty and development the points are most important and have very strategic policy implications if we are seriously desirous of eradicating poverty. For instance, the question will arise as to how far with the growth target of 5% for Pelita IV special programs will be undertaken in the non formal, small scale industrial and home industrial sectors. What are the effects of the policy of June 1, 1983 on priority credits such as small investment credits, permanent working capital credits, mini credits, and mass credits like Bimas? How about such Inpres (presidential instruction based) programs as subdistrict Inpres, regreening Inpres, rural Inpres, and the like?

So far no strong indications are apparent yet regarding the place of equity and its description in the priorities and programs of Pelita IV. So there may be speculation in society over the possibility of reducing priorities in the sphere of equity. This is objectively natural because of the diminishing state funds, the world recession, which has reduced the business climate, and the decline in the national growth level over the last two years.

Nevertheless, subjectively it seems that equity will continue to enjoy priorities and this can also be noticed from the state address of last August 16.

The problem is then how this form of equity is reflected in national production and distribution. When Inpres and intensification programs were undertaken in rural areas in the past, it was believed that they were only subsidies and thus would not last long. Even if this is true,

the various programs definitely are capable of increasing the demand capacity of the rural population, including the low income group. If these subsidies are directly reduced the demand capacity will decline.

Such being the case, Sam F. Poli rightly opines that the eradication of poverty with its structural significance means the solution of unemployment, disguised unemployment and low productivity in the sectors of non formal services and small scale industries. But this condition is by no means completely unfamiliar to the government. In the implementation of its different programs, the government has frequently or automatically stated that these projects are labour-intensively orientated.

But of course the yardstick is the fact of the employment condition. It turns out that per worker the value added in the sectors of agriculture, services, non formal businesses, small scale industries & home industries consistently registers a low level. If the growth in Pelita IV projected at 5% is not linked with changes in projections of growth by sectors and subsectors, the level of value added in sectors that are already low will get even lower. The growth of the work force that is higher than that of population (due to the young age composition of the Indonesian people) will put further pressure on the low productivity.

The above picture is in no way attractive and various circles including the government are practically aware of this. Such economic policies this year as the rescheduling of investments and banking liberalisation are described by many observers as bold, appropriate and successful.

It seems that in order to overcome the problem of poverty, which is referred to as structural poverty by some circles, economic policies that also need courage are now required.

Jakarta, Dec. 10, 1983

AIR FORCE COMBAT SURVIVAL TRAINING COURSE III CONCLUDED

Jakarta HARIAN UMUM AB in Indonesian 14 Nov 83 p 6

[Text] Jakarta, HARIAN UMUM AB—Air Commodore E. Siagian, commanding general of KOPASGAT [Air Force Commandos], presided over the closing ceremonies of Combat Survival Training Course III, which was given the name "Dewa Ruci" [Indonesian mythological figure]. The training course took place in the Malang Selatan area [East Java], in the villages of Gajah Rejo, Umbul Rejo, Sendang Biru, and Tambak Rejo.

The course, which lasted for 1 week, involved personnel from the Operational Wing of KOPATDARA [Air Combat Troop Command], Training Wing I of KODIKKAU [Air Force Training Command], the Agricultural Air Unit, and Battalions 461 and 464 of the Air Force commandos. They were supported by C-130 Hercules aircraft and Twinpac helicopters.

"Dewa Ruci" Combat Survival Training Course III was intended to train and improve the operational capacities of Air Force personnel so that they could survive in enemy territory, should emergency conditions arise in a battle area.

Training provided during the course included the way to get out of an aircraft after it had gone through a "crash landing," organization of a team and the division of duties, protection against wild animals, construction of shelters, the use of jungle plants, preparation of communications signals, medical air evacuation, preparation of helicopter landing zones, camouflage at sea, jumping into water, wet and dry crossing of water obstacles, mountaineering, the use of compasses, and map reading.

The commanding general of the Air Force commandos on this occasion said that the task of the Air Force in the future will become increasingly broad and demanding, in accordance with technological developments and progress achieved.

In that connection he expressed the hope that physical and mental readiness and a high level of the spirit of self-sacrifice, on the part of every Air Force member, will continue to be achieved. Every soldier in every Air Force combat unit must continuously foster feelings of unity and union, supported by strong discipline, in the interest of successfully completing his duties.

ARMED FORCES LAUNCH 14TH CIVIC MISSION PROGRAM

Jakarta HARIAN UMUM AB in Indonesian 2 Dec 83 p 6

[Text] The Indonesian armed forces (ABRI) have launched the 14th Unified ABRI Civic Mission Integrated Program (Program Terpadu TNI ABRI Masuk Desa Manunggal XIV). The program was officially launched by the commander of Military District Command VII (Kodam VII), Major General Soegiarto, at a ceremony held in Kedung Munda village in the East Semarang subdistrict of Semarang municipality on Thursday, 24 November.

Local officials of Semarang municipality, the assistant chiefs of staff of Kodam VII, commanders of military units, heads of military services and offices, and other ABRI officials attended the ceremony.

The ceremony was highlighted by the symbolic transfer of tools to four persons who represented the forces participating in the civic mission program.

Lt Col Mohamad Solichin, the deputy assistant chief of staff for territorial affairs of Kodam VII, who represented the assistant chief of staff for territorial affairs and project officer, noted in his report that eight company-size units of ABRI will participate in the civic mission program and that they will be working in Salatiga, Pati, Rembang, Kudus, Klaten, Boyolali, Sukoharjo, Semarang and other areas.

They will be involved in the construction of roads, bridges, places of worship and sanitary housing, will provide supplies of fresh water by installing water pipes and building cisterns, and will perform other types of work.

All components of departments of the national government that have offices in the first- and second-level regions have actively participated in the general and detailed planning of the preparations for the civic mission program.

Major General Soegiarto noted in his remarks at the ceremony that the 13 prior civic mission programs have produced inspiring results and have had a very positive effect in improving the living standards of the people.

He said that our success is due to the hard work and high level of discipline of the participants in the program, to the synchronized efforts of government

and military agencies, and to the firm support of the members of the public, who recognize the importance of development.

The general said that the conclusion he drew from the operation of the civic mission program was that the spirit of togetherness, the mutual cooperation, and the unity of ABRI and the people could create a powerful force and that this force constituted the basic and essential capital needed in the national struggle.

5458

CSO: 4213/110

REPORTS OF BODIES BEING FOUND IN PUBLIC PLACES

Security Forces Not Responsible

Surabaya SURABAYA POST in Indonesian 30 Nov 83 p 2

[Excerpt] Commenting to reporters on Wednesday morning [3 November] about reports that bodies of people who have been killed by unknown assailants have been found, Blegoh Soemarto, the speaker of the East Java legislature, declared that the security forces are not responsible for the killings. Therefore, he said, the public should take courage and report these incidents to the security forces. "These incidents are treated in the same way as other criminal activities," he said.

Blegoh acknowledged that the government is intensifying its law enforcement operations, and said that lawful procedures are being followed in these operations. "The criminals who get shot are the ones who have been warned and try to get away," he said.

The speaker said that he agreed in principle with the use of harsher measures against criminals. "It is good to take stern measures against one person and thereby reassure a thousand others, particularly if the criminal has committed a reprehensible act," he said.

Should Be Investigated

Blegoh said that all criminal cases are investigated by the security forces and denied that any cases are hushed up. If there are parties who take advantage of a situation, as the reports of bodies being left at the editorial office of a newspaper in Malang and before a reporter's home in Nganjuk may indicate, then these matters should be investigated, he said.

Blegoh promised that he would forward the reports given him by reporters to the governor, the regional head of KOPKAMTIB, and the chief of the regional police. "We must eliminate the impression that the mysterious shootings are the work of government personnel," he said. He also said that he, as head of the East Java legislature, had never been given any information about the mysterious shootings until that moment.

When a reporter said that the public now feels safe and reassured, Blegoh replied that this is because security in the area has been improved. He said that he hoped that the public would not consider all of these cases to be the work of the security forces. "The public must face the situation with courage, for we must not reach a point where someone intentionally exploits the situation," he said.

Two Motives

Surabaya SURABAYA POST in Indonesian 5 Dec 83 p 6

[Editorial: "Common Among Criminals"]

[Text] The commander of the East Java KOPKAMTIB has affirmed that the official operations that were launched to eradicate crime have come to an end, and also that the sadistic murders that have occurred recently are not the work of the government's security forces. These murders are being actively investigated and the assumption is that they either have a political motive and are aimed at discrediting the government, or that criminals are trying to counter (contend against) the law enforcement operations of the government.

The statement by the East Java KOPKAMTIB commander relieves the mind because our community--which had relaxed when security improved as a result of the government's law enforcement operations--was again becoming uneasy and was asking questions about the sadistic murders that have occurred in several areas and about the bodies and parts of bodies that have been left at or delivered to certain addresses.

It now appears to be true that excesses have been committed, that an effort has been made to exploit the opportunity presented by the law enforcement operations. From the very beginning there has been concern that this would happen. This situation presents the security forces with a new challenge, for they must immediately and no less firmly investigate and reveal the facts behind these sadistic murders so that calm can be restored in society and the public can maintain its confidence in the government and its security forces, particularly if it is true that political subversion is the motive behind the murders.

Now that the situation has been clarified the public itself should be more vigilant and should actively assist the authorities in opposing criminal activity and exposing the "mystery" behind these sadistic killings. While murder is common among criminals, it is a very cunning move to take advantage of the climate created by official security operations--even though the operations have been terminated--to commit murder.

5458

CSO: 4213/108

RECENT EVENTS IN PRIVATE COLLEGES EXPLAINED

Jakarta HARIAN UMUM AB in Indonesian 14 Nov 83 pp 1, 3

[Text] Jakarta, HARIAN UMUM AB--Dr H. Djohan Sjarif, secretary general of the Private Universities Coordinating Body (BKS-PTS), has said that events that have occurred recently on a number of private university campuses are not isolated developments but are related to each other.

The problems he mentioned as causes of the unrest, such as fees for lectures, administrative and academic charges, and other student problems, are not the only questions at issue. Dr Djohan Sjarif said on Saturday [12 November] in Jakarta that there were other objectives involved.

This was learned when a dialogue was begun between Kopertis (Private Universities Coordinating Office) and the BKS-PTS with security authorities and the private universities concerned.

Although there is some restlessness among the students at private universities, he was thankful that the administrative authorities at the private universities concerned acted in timely fashion to bring these problems under control, so that the difficulties could be localized.

Whatever the situation, stability on the campuses must be protected from outside disturbances, so that the process of education can be carried on as planned, he said.

Regarding damages to facilities, such as occurred on the campus of the University of Jayabaya, the BKS-PTS leader expressed his concern. Thanks to quick action by the authorities at that university, the situation was brought under control. Indeed, lectures at the University of Jayabaya were resumed on 10 November, on Heroes' Day, after having been closed since 18 October. Dr Djohan Sjarif said that the BKS-PTS was very happy about that.

When an event like this occurs, it is necessary to learn from it. That is, it is necessary both for the private university authorities and for the teachers on the staff to pay more attention to student developments. The private university authorities must spend more time in communicating with various elements of the academic community.

The same consideration applies to academic and administrative services, which should be improved and should respond more quickly to requests from the students than was previously the case. Good and rapid service to the students and to the teaching staff will reduce unrest on the campuses, Dr Djohan Sjarif said.

In that connection the BKS-PTS is working with Kopertis to develop an administrative framework for university authorities and teaching and non-teaching staff to raise the level of academic services in the respective, private universities.

University students are urged to take care of the equipment and facilities now on hand because providing educational facilities requires a great deal of money. Furthermore, raising such funds takes a long time. Damaging university facilities is a reprehensible action, and those who suffer the consequences are the students themselves, according to the secretary general of the Private Universities Coordinating Board.

5170

CSO: 4213/90

BRIEFS

GDR COOPERATION IN INDUSTRIAL DEVELOPMENT--Jakarta--An East German group of industrial companies, WMW, is at present exploring the possibility of taking part in the handling of industrial development in Indonesia, Dr. Jose Prescher of East Germany told newsmen at the Machinetool Indonesia '83 here last weekend. For such a purpose, Dr. Prescher held talks with Minister of Industry Ir. Hartarto and State Minister of Research and Technology Dr. B.J. Habibie here Monday. The WMW Group, which manages the operation of 65 industrial plants & employs 80,000 skilled workers, engineers, scientists and economists, has supplied machinery/equipment to a number of industrial plants in Indonesia. [Text] [Jakarta BUSINESS NEWS in English 14 Dec 83 p 6]

KANAN IRRIGATION PILOT PROJECT--Jakarta--The ceremony to celebrate the completion of the pilot demonstration project for terminal irrigation facilities in Riam Kanan was held at Banjarmasin on December 14, 1983 in the presence of Suyono Sosrodarsono, Minister for Public Works and Toshio Yamazaki, Ambassador of Japan to Indonesia. This Riam Kanan Irrigation Pilot Project was implemented under the grant aid from the Government of Japan amounting to ¥. 760 million (equivalent to Rp. 3,040 million). This Pilot Project covering an area of 500 Ha., consists of a conducting canal, a pump station, a long pipeline, a farm pond, three secondary canals, eleven tertiary canals and related structures. It is expected that this pilot project will serve as a model for agricultural development in South Kalimantan by showing local farmers the suitable way of the construction of irrigation and drainage facilities and also by offering farmers chances to learn water management system in the area. Japan also extended soft yen loans to a big scale irrigation project in Riam Kanan covering an area of 24,000 Ha which was financed by the Japanese Government. [Text] [Jakarta BUSINESS NEWS in English 16 Dec 83 p 9]

PARTICIPATION IN LEIPZIG SPRING FAIR--Jakarta--Indonesia will participate in the 1984 Leipzig Spring Fair, which will take place in Leipzig, East Germany from March 11 through 17, 1984. The confirmation of Indonesian participation in the fair has been stated by the acting chairman of BPEN (National Agency for Export Development), Dr. Suhadi Mangkusuwondo, Deputy Director General for the Leipzig Fair Council Helmar Muller told reporters a moment before he left here for home Thursday. Indonesia took part in the Leipzig Fair in 1975, 1976, 1977, 1978 and 1981. Thus, the presence of the Indonesian stand in the Leipzig Fair in 1984 will be the sixth. Indonesia is expected to get much benefit from the Leipzig Spring Fair 1984. Around 9,000 representatives from

60 countries will take part in the fair. Usually 86% of those visiting the Leipzig Fair consist of business circles and experts. [Text] [Jakarta BUSINESS NEWS in English 16 Dec 83 p 9]

PLANTS OPERATING ABOVE DESIGN CAPACITY--Jakarta--The designed capacities of most industrial fields are generally over the capacities already approved by the government, especially the approval given by the Industry Department. Therefore, it is difficult to assess the real capacity of an industrial field to produce commodities. The designed capacity of cigarette industrial plants, for example, is generally higher than the installed capacity approved by the Industrial Department. The cigarette industry is forced to augment the production capacity so as to countervail high taxes already determined for the companies concerned. The plastic bag industry is also facing the same condition. The association of plastic bag producers has reported to the government a number of companies operating without permits from the government. But no measure has been taken against those companies so far. According to reliable sources, the Industry Department is determined to tackle the reordering of those industries. For the purpose, the Industry Department is at present collecting data on the problems and exploring ways to settle. The application of installed capacities exceeding the approved capacities will be orientated to export, while the import of the commodities concerned will be discontinued. [Text] [Jakarta BUSINESS NEWS in English 16 Dec 83 p 5]

MUSLIMS, EGYPT ON PALESTINE ISSUE--A delegation from the Indonesian Muslim community composed of: H. M. Sudjono, chairman of the Indonesian Council of Religious Scholars [Ulama]; H. A. Musyaffa Basyir, from the Kiblat Center; and Haji Amin Iskandar, a member of Parliament, met Mohammad Wageeh Roushdi, Egyptian ambassador to Indonesia, on Monday morning [14 November]. The purpose of the meeting was to express the views of the Indonesian Islamic community to the Arab states in connection with recent developments in the Palestinian crisis. In the message, which was supported by a statement made last week, a number of Indonesian Muslim leaders expressed the hope that the PLO [Palestine Liberation Organization] would continue to promote and maintain its unity and union in order to complete successfully its struggle to liberate Palestine and the Al Aqsa mosque [in Jerusalem] from Israeli Zionist occupation. The statement urged all chiefs of state of Arab countries to join in supporting as fully as possible the reestablishment of unity within the Palestine Liberation Organization. Similar meetings have been held by the delegation with chiefs of mission of other Arab countries in Indonesia, including: Sheikh Mohammad Said Basrawi, Saudi Arabian ambassador; Mohammad Aissa Mesoudi, Algerian ambassador; and Nadim Douay, Syrian ambassador. [Text] [Jakarta PELITA in Indonesian 15 Nov 83 pp 1, 7] 5170

CSO: 4213/90

PRK, GDR, SRV OFFICIALS MEET IN CHAMPASSAK

Vientiane KHAOSAN PATHET LAO in Lao 6 Dec 83 p A12

[Article: "The Masses of Champassak Province Rally To Support an Open Letter of the Kampuchean Religious Fraternity and Intellectuals"]

[Text] On the morning of 22 November, in the Champassak provincial school for theory, the masses of Champassak Province gathered to support an open letter from the Kampuchean religious fraternity and intellectuals to the religious fraternity and intellectuals, different international organizations, and the peace-loving masses around the nation. Participating in this rally were Mr Thongin Thammakot, assistant secretary of the provincial party committee and chairman of the provincial administrative committee of Champassak Province, Mr Bounlap Youiyavanitsavong, a member of the Supreme People's Council, and many hundreds of representatives of mass organizations, youth union organizations, women's associations, trade unions, [scholars], Buddhist monks and novices, cadres, soldiers, police, and students in the Pakse District municipal area.

Also participating in this rally were Mr Son Sopha, assistant chairman of the administrative committee of Stung Treng Province of the PRK, who was visiting Champassak Province, along with many Vietnamese and GDR experts who are helping this province.

In the rally Mr Thongin Thammakot expressed his views in which he severely condemned the Pol Pot-Ieng Sary-Khieu Samphan genocidal regime and wholeheartedly supported the open letter.

Later he praised the clear-sighted PRK which is leading and advancing the country on the path of socialism for national strength and the happiness of the people.

Those present at the rally unanimously approved wholehearted public support for the open letter of the Kampuchean religious fraternity and intellectuals.

9884

CSO: 4206/50

DUTCH-AIDED AGRICULTURAL PROJECT IN VIENTIANE DESCRIBED

Vientiane PASASON in Lao 8 Dec 83 p 2

[Article by Nokieng Chittavong: "Revival"]

[Text] The Pakcheng economic development project has been revived in economic construction since early 1983 with aid funds from Holland and from the budget of Vientiane Province.

Comrade Souvanna Songkham of the party committee and the provincial administrative committee and also chief of the guidance committee for setting up agricultural co-ops in Vientiane Province, said "the purpose of this construction is to mobilize people to collective production by changing to agricultural co-ops in order to liberate the labor of old people, small children, and women who are not able to do heavy work...." This is the correct policy of the party and government toward the people of ethnic groups in constructing the national economy and also economic self-sufficiency in terms of the food supply.

Now this project has been feverishly carried out in four major ways: 1) the installation of 12 km of medium-voltage of the rural electricity network and 5 km of low-voltage which has now been 80 percent completed; 2) the construction of irrigation and the opening of 400 hectares of new land. In this year's dry season rice production in particular, they planned to open up 100 hectares of abandoned land to be used for dry season cultivation; 3) build dikes to prevent floods on 4,000 hectares. This will be started in the beginning of 1983 [as published]; 4) to utilize all means to promote agricultural production in every way. All these tasks have focused on promoting the production of agricultural co-op units to be steady and strong, and to advance to becoming self-sufficient in terms of the food supply, e.g., rice.

Comrade Mountha Nalisak, chief of the rural development project of Vientiane Province, added that by working in cooperation with the labor forces from irrigation sector No 2, the Lao-Swedish machinery repair plant, and the provincial machinery sections along with over 60 workers who are working on this project in cooperation with the administrative committee and the agricultural co-op members, they have together dug the Meuang Meng irrigation ditch from the main work at Ban Veunsan to Ban Meuang Kao. It is 1,030 meters long, 1 meter wide, and 1 meter deep, and is 4 meters wide at its mouth. It was 100 percent completed.

Now they are feverishly carrying out two main duties: to clear the land for dry season rice cultivation, open up new land in time for the season, and to install three pumping machines of 120 hp each and to complete building small irrigation ditches in order to drain water into the rice fields by the end of this year as achievements to welcome National Day on 2 December and the first nationwide trade union congress which will soon be opened.

9884

CSO: 4206/50

BRIEFS

SARAVANE POPULATION, TAX TARGETS--Saravane is one of the districts within Saravane Province. It is located near the provincial capital with a good amount of land consisting of ten cantons, 141 villages, 6,075 houses, 7,338 families, and 40,588 people. The people of ethnic groups in this area all engage primarily in lowland and highland rice growing, and growing starchy crops as secondary crops. In 1983 there is a total of 8,666 hectares of low-land and 800 hectares of highland cultivation area. For 1983-84 the expected figures are in agreement with the study in which the district agricultural tax meeting has set 780 tons [of tax] as a goal and [they] will strive for over 800 tons of rice purchase and exchange. [Excerpt] [Vientiane PASASON in Lao 7 Dec 83 p 3] 9884

FORESTRY PRODUCTION (KPL)--In the emulation to score achievements to welcome the historic festival, the eighth anniversary of National Day on 2 December, and also to welcome the coming first nationwide trade union congress, the cadres and workers of the State Forestry Enterprise No 9 have been working hard together to cut down trees and rattan in their own area of responsibility and have gradually been succeeding. By 30 November they were able to cut 26,270 cubic meters of trees or 89 percent of the plan, and it will be completed as planned in this coming mid-December. Rattan felling was completed in the first six months of the year. The total rattan cut down was 142,835 sticks, exceeding the year's plan by 42 percent. [Excerpt] [Vientiane KHAOSAN PATHET LAO in Lao 6 Dec 83 p A9] 9884

CSO: 4206/50

MALAY, THAI COMMANDERS DISCUSS JOINT OPERATIONS

Kuala Lumpur NEW STRAITS TIMES in English 4 Jan 84 p 11

[Text] Bangkok, Tues.

Malaysian and Thai military field commanders today discussed the possibility of launching hot pursuits against Communist guerillas operating along their common border, informed Thai military sources said.

They said the talks were held at the Malaysian side of the border while Thai troops were advancing towards a suspected base camp of the banned Communist Party of Malaya (CPM) in Thailand's Betong Salient, some 2000 metres from the border.

No details of the talks were disclosed which coincided with reports that two breakaway factions of the CPM had agreed to unite after a decade of ideological conflict.

A border agreement between Malaysia and Thailand provides for hot pursuit, but the option was not used in the last two years because of opposition by the then Thai Fourth Army Commander, Gen. Harn Leenanond.

Gen. Harn was relieved of his field command at last October's annual military reshuffle.

Thai military sources said they had received intelligence reports that the Marxist-Leninist and Revolutionary Front factions of the CPM merged their forces about four weeks ago in an attempt to survive a Thai antiguerrilla offensive.

Transmitter

The Thai assault was launched in coordination with a similar operation on the Malaysian side of the border to trap the guerillas.

The sources said senior Malaysian and Thai army observers were attached to each other's main force units for closer liaison.

Meanwhile, Government forces yesterday seized a radio transmitter, documents and food supplies from the guerillas, a senior field military officer said today.

Col. Kitti Rattanachaya, deputy commander of the Thai-Malaysian combined task force, said in a telephone interview that the transmitter and documents were seized when the guerillas retreated into the jungle after a brief clash with the Government soldiers.

Col. Kitti said two Thai soldiers were wounded when they stepped on booby traps in the Betong district of Yala Province, 840km south of Bangkok.

They are the only Thai casualties so far in the joint operation, he said.--
Agencies.

CSO: 4200/425

SNAP APPROVES PBDS BID TO JOIN BARISAN NASIONAL

Kuala Lumpur NEW STRAITS TIMES in English 4 Jan 84 p 1

[Text] Kuching, Tues.--The Sarawak National Party (SNAP) will support the application of the Parti Bansa Dayak Sarawak (PBDS) to join the Barisan Nasional, SNAP president Datuk James Wong said today.

Datuk Wong said it was in the interests of the State and the country that PBDS be accepted after it had proved that it enjoyed the support of the people in the recent State elections.

PBDS, a breakaway faction formed by former SNAP elected representatives, won six of the 14 seats it contested. The successful candidates included PBDS pro-tem deputy president Datuk Daniel Tajem, a Deputy Chief Minister who retained his Lingga seat, and two of the party's pro-tem vice-presidents, Mr Edmund Langgu, who is also MP for Saratok, and Mr Gramong Juna.

Emotions

Datuk Wong said today that SNAP, one of the three State Barisan nasional component parties, had earlier opposed the entry of PBDS which was led by the Federal Minister of Energy, Telecommunications and Posts, Datuk Leo Moggie, as SNAP wanted the party to prove it had the support of the people.

"Since the PBDS has shown that it has the support of the people, I feel that it is in the interests of the State and the nation that the PBDS be included in the Barisan Nasional," he said.

Datuk Wong was also confident that SNAP leaders could work together with those in the PBDS should the party be made a BN component.

"I do not see any reason why we cannot co-operate as we can work with everybody. After all there is nothing personal between leaders of SNAP and PBDS as we are all friends and brothers," he added.

He also said the important thing now was that the elections were over. "Let not our feelings or actions be influenced by emotions or revenge."

"The people have given their verdict, and if we believe in democracy, we must respect the verdict as delivered through the ballot boxes," he added.

The SNAP leader pointed out that the recent elections had also shown that the State Barisan Nasional should exercise more discipline in future to discourage the participation of independent candidates.

A record number of 79 independent candidates stood in the elections and four were elected in Tatau, Dudong, Bengoh and Engkilil.

On SNAP's performance, Datuk Wong, who was returned to his Limbang seat with a slim majority, claimed that the party only suffered one casualty.

The party which fielded 18 candidates, including six incumbents, won only eight seats. All the incumbents, including SNAP deputy president Edward Jeli, secretary general Joseph Balan Seling and central executive committee (cec) member Michael Ben, were returned.

In at least four constituencies, Datuk Wong contended, SNAP candidates lost to its own members who stood as independents.

Datuk Wong, who will lead the SNAP delegation to the Barisan Nasional meeting in Kuala Lumpur on Jan. 8, reiterated that his party still subscribed fully to the Barisan Nasional concept.--Bernama

CSO: 4200/425

FISCAL SQUEEZE SHELVES SIRIM PROJECTS

Kuala Lumpur NEW STRAITS TIMES in English 3 Jan 84 p 7

[Text]

KUALA LUMPUR. Mon. — The Standards and Industrial Research Institute of Malaysia (Sirim) has been hard hit by the fiscal squeeze, shelving all but one of much-needed industrial support services slated for 1984.

Controller Abdullah Mohamad Yusof (right) said today all of its projects, some of them broached as early as in the Third Malaysia Plan and now ready for take-off, have been stalled by "severe economic constraints."

But Sirim's metrology project, dealing with accurate calibration and measurement, would be finished this year with active Japanese help. This is construed as a prerequisite for product sophistication in industry.

Encik Abdullah said only the construction of a three-storey building has been outlayed. Running the completed centre "involves an expansion of what we already have, so that part is not much of a problem."

The staff of 50 has already been recruited.

The Japanese commitment spanned four years and included three experts and several million dollars of equipment.

Encik Abdullah said several projects that planned to provide back-up services crucial to Malaysia's ambitious industrial expansion have been deferred indefinitely.

These included a technological foundry centre in Ipoh, the third component after the metal technology centre and the metal industry research and development centre providing for the engineering industry.

This centre was also intended to spread Sirim activity away from the Klang Valley in which it is presently concentrated, except for four branch offices.

Also frozen were a proposed plastics centre and the expansion of engineering testing facilities. The plastics centre would be pivotal in the development of that industry from simple consumer products to engineering end-uses, he said.

Technology

Encik Abdullah said the Sirim centre, pur-

veying transferred technology and training, were essential in initiating ordered industrial development.

"We have lost a lot of ground. Unless we are serious about it we cannot catch up. All the advanced planning has unfortunately been hampered by financial constraints."

Sirim's part in the Industrial Master Plan was the provision of standardisation, assurances of quality, the upgrading of technology and trial manufactures, he said.

In the pipeline were an electrical technology centre and a ceramics and glass centre, he said.

The institute was anxiously looking for foreign aid. But even its advances in new materials technology have not been readily exploited "because Malaysian producers were spoilt and relied too heavily on established types."

"Our emphasis on imported quality even threatens our own industries, for example ceramic tiles. There is a lot of dumping here of Italian tiles," Encik Abdullah said.

FIRST DIVISION COMMANDER TENDERS RESIGNATION

Kuala Lumpur NEW STRAITS TIMES in English 3 Jan 84 p 2

[Text] Kuala Lumpur, Mon.--The commander of the First Malaysian Infantry Division and General Officer Commanding East Malaysia, Mej Jen Datuk Hassan Haji Mohamed Salleh, has tendered his resignation.

It was reliably learnt today that the two-star general submitted his resignation some time in the middle of last month.

Ministry of Defence officials when contacted confirmed that Mej Jen Datuk Hassan had submitted his resignation about two weeks ago.

However, they refused to disclose the reasons for the general's resignation.

They said the Ministry has yet to make a decision on the subject.

Mej Jen Datuk Hassan, who is due to take over the post of commander of the Task Force VII (responsible for monitoring the inflow of Vietnamese refugees) after last month's Armed Forces reshuffle, has five more years of service before he retired at the age of 55.

The officials added that the post of commander of Task Force VII would be left open until a decision is made by Mindef.

Mej Jen Datuk Hassan joined the Army in September 1953 after finishing secondary school at the Johore Baru English College. In March 1954, he was sent to Britain for officer training at Eaton Hall and later at the Royal Military Academy, Sandhurst.

He received his commission in December 1955.

While he was a captain with the 7th Battallion Royal Malay Regiment in 1956 he commanded a unit that eliminated a terrorist group including a terrorist commander. For this he was awarded the Negeri Sembilan medal for gallantry by the then Yang di-Pertuan Besar.

In 1966 he was made the deputy commander of the 7th Battallion Royal Malay Regiment. Later he was posted to the Ministry of Defence as a staff officer with the rank of Let Kol.

In 1968 he was appointed military attache in the Malaysian Embassy in Bangkok.

He was promoted to a full colonel in 1971. A year later he assumed command of the Third Malaysian Infantry Brigade based in Kuching.

CSO: 4200/425

BRIEFS

LIBYAN GOVERNMENT OFFERS STUDY GRANTS--Bangi, Tues.--The Libyan Government is offering scholarships for Muslim students at the International Islamic University (IIU) in Kuala Lumpur this year. The secretary of the People's Bureau of Libya here, Encik Ali Sulaiman Alaujali, said five of the scholarships were for foreign students and the rest for Malaysians. The scholarships worth a total of \$146,000 would be made available through the university soon. He said this after presenting a cheque for \$13,050 to the deputy Vice-Chancellor (Students Affairs) of University Kebangsaan Malaysia (UKM), Dr Yusuf Noor, here. The donation is to enable the university to purchase a microcomputer. Dr Yusof thanked the Libyan Government for the contribution.--Bernama. [Text] [Kuala Lumpur NEW STRAITS TIMES in English 4 Jan 84 p 6]

CSO: 4200/425

WRITER OPPOSES U.S. BASES

Manila THE MANILA PAPER In English 10-16 Jan 84 pp 5, 10

[Article by Cynthia L. DeLeon: "The (U.S.) Bases of Our Insecurity"]

[Text] Thanks to Prof. Roland Simbulan's newly released book, *The Bases of Our Insecurity*, this writer is now properly informed and finally convinced of the extreme dangers posed by the presence of US military bases on Philippine soil.

With cool logic and full documentation, Simbulan relentlessly pursues his thesis that "contrary to ensuring the Filipino people's security, US bases undermine that security by threatening to entangle the Philippines in any confrontation that might arise between the US and another nuclear power.

Aggression, not defense, is the bases' primary role, according to Simbulan. Clark and Subic have first strike capability but are not built to withstand a counterattack. In the event, therefore, that the US launches an attack--or strikes first--from these bases, the whole Philippines would be defenseless against the ensuing retaliatory action of the enemy. Should the US bases act out their primary role as the aggressor, the Philippines would be drawn into a war not of its own making or liking, but would be incapable of winning. The whole country, in fact, would become as expendable as the US bases in Clark and Subic, after that first strike has been launched.

The mere presence of these bases already poses risks of a nuclear attack by enemies of the US--who may not necessarily be enemies of the Philippines--since the bases house tactical nuclear weapons. Simbulan claims there is solid evidence that nuclear weapons are stored in most US bases in the Philippines, weapons that endanger Filipino lives, either in case of accidents or retaliation in a nuclear war.

Although many Filipinos still believe that the US military bases are a deterrent to invasion by hostile countries, the truth is, states Simbulan, "From the very beginning, as admitted by American military analysts themselves, the US bases in the Philippines do not perform a critical deterrent role for the Philippines."

On the so-called Soviet threat, Simbulan reveals that "as early as 1950, while US propaganda was painting an alarming picture of the whole Southeast Asia

being menaced by hordes of communist armies, a secret policy statement on the Philippines by the US National Security Council, nevertheless, asserted, 'External threats to the Philippines appear to be relatively remote at this time.'

"Two decades later, in 1972, the US Department of Defense spokesman, under US Congressional questioning, explicitly admitted that, '...there is no identifiable conventional source that is likely or capable of invading the Philippines'"

In 1974, Dr. Martin Halperin of the US Defense Department and National Security Council stated before the House Committee on Foreign Affairs, "I don't believe that there is any justification for the maintenance of US troops in the Philippines. The Philippines is not threatened by an external aggression of any kind."

If there is no threat of an external aggression, what do we need the US bases for? And even if there were but the bases cannot protect or defend us, from the same, if they cannot stop invasion by a foreign army--as they were unable to stop the Japanese invasion--if they do not perform a critical deterrent role but only increase the dangers to our lives by hosting nuclear components and serving as magnets of nuclear attack, what is their real business here? Whose interests do they really serve?

The statement of Admiral Maurice F. Weisner, USN Commander in Chief-Pacific, before a US Senate Subcommittee in March 1977 spells out the answer. As quoted by Simbulan, Weisner's statement was, "US Interest in Asia has increased commensurate with our growing economic involvement...The capabilities to keep open...lines to increasingly important markets and resources is one of the major concerns in our Pacific Command planning.

"Of additional concern to our Pacific Command is our growing capital investment...in the countries of this region.

"...Our economic and political initiatives to maintain free access to these critical commodities are supported by a credible US presence in the area."

Obviously, the credible US presence referred to is the US bases. In light of such statement, can anyone refute Simbulan's conclusion that "the US bases are in reality for the promotion of America's economic interests in the Asian region"?

CSO: 4200/420

OPPOSITION JOURNALIST CHARGES 'CRONYISM' IN LUXURY IMPORTS

Manila THE MANILA PAPER in English 20-26 Dec 83 pp 1, 11

[Article in colum by Reuben R. Canoy: "Christmas Is for Cronies"]

[Text] When the government required all banks to turn over their dollars to a foreign exchange pool so that dollar remittances would be on the basis of urgent priorities, it was on the assurance that the Central Bank would authorize the importation only of essential goods and raw materials.

Now it turns out that a large department store chain, reportedly owned by persons close to the First Family, has been granted the privilege of opening letters of credit to bring in luxury items, including restricted foodstuff, for the Christmas trade!

If that isn't a prime example of cronyism, for which the Marcos regime has become notoriously undesirable, then I don't know the meaning of the word.

What is particularly galling is that the Central Bank action, defies the stirring call for national sacrifice, austerity and unity that the president has been making since the peso was devalued.

No one believes that this was taken by CB officials on their own initiative. More likely, it is the result of pressures exerted by Malacanang on the committee managing the "Forex" pool.

For some time now, responsible business leaders have been pressing for the publication of approved letters of credit to discourage favoritism. But the Central Bank has yet to heed this demand.

Why should the government's dollar transactions be shrouded in secrecy and concealed from the public? They affect not only the businessmen and entrepreneurs who need to import raw materials, machineries and spare parts to keep their operations going but the thousands of workers as well whose very survival is threatened by the imminent shutdown of factories.

The only conclusion that reasonable observers of the devastated economic scene can draw under the circumstances is that Marcos and his technocrats do not want us to know how scarce collars are being allocated.

In this way, preference can be given to those businessmen who have not in any way offended the sensibilities of the powers-that-be, or those who have some kind of claim on Marcos and members of his family.

Sociologists have made much of the Filipino trait called utang na loob, by which a man's character is usually measured. Since his election as president, Marcos has been trying hard to maintain the image of one who doesn't easily forget a personal or political debt.

The trouble is that he doesn't seem to know now whom he really owes. Perhaps this is a good time to remind him that he is president of the Republic and virtual king of all he surveys, not because of the few whom he has already made millionaires many times over but by the grace of the Filipino people who remain poor as rats.

His obligation is to them, not to the bloodsuckers, the opportunists and the dollar-salters who inhabit Malacanang like vampire bats.

Until he mends his ways, he should not blame the people for insisting on his resignation, futile though the demand may be. It is their way of letting the whole world know that if Marcos has no intention of dying, neither do they have any intention of supporting a government of the cronies, by the cronies, and for the cronies.

CSO: 4200/420

SPECIAL PRIVILEGES FOR HONG KONG CHINESE CONSIDERED

Manila THE MANILA PAPER in English 10-16 Jan 84 pp 1, 9, 12

[Text] Manila, (AFP)--A group of Hong Kong businessmen has asked President Ferdinand Marcos to grant them special Philippine passports and permanent resident status in exchange for investing US\$500,000 each in the country, Business Day reported here today.

Quoting a high government source, the top trade daily said the legal aspects of the investors' proposal will have to be studied as existing laws permit only citizens to obtain Philippine passports.

In addition to the passports, the Hong Kong investors are also seeking "freedom of movement" and equal treatment with Filipinos, the daily added.

The investors reportedly described the Philippines as an "attractive place for investment" and said some 100 businessmen from the British colony pledged to invest here once their proposal was "given the go-signal" by Filipino authorities.

President Marcos has signed decrees allowing foreign investors to obtain permanent residence status after bringing in a minimum investment of US\$75,000, as well as assume 100 per cent equity in local firms within the next year.

Manila has been seeking increased levels of investment from abroad amid a severe financial crisis largely triggered by political unrest, while the political uncertainty over the future of Hong Kong has encouraged most South East Asian nations to try to attract investors from the affluent colony.

Earlier, President Ferdinand Marcos. In another move to attract badly-needed foreign capital, had signed a decree granting permanent resident status to foreigners who invest at least US\$75,000 in the country.

Presidential Decree 1983 complements decree Number 1982 permitting foreigners to assume 100 per cent equity in local firms within a one-year period ending next December.

The minimum investment required for a foreign investor to gain resident status was lowered from \$200,000.

Manila is seeking increased foreign investment in view of the serious financial crisis plaguing the country.

LAUREL WARNS OF BLOODSHED IF POLLS TAMPERED WITH

Manila THE MANILA PAPER in English 10-16 Jan 84, pp 1, 4, 12

[Article by Ruben G. Alabastro]

[Text] Manila (AP)--A top opposition leader said "many (Filipinos) are going to bring bolos to the polls to protect their ballots and warned of bloodshed if government candidates tamper with the election.

Former Sen. Salvador Laurel also said that the opposition will field "power-house" teams against President Ferdinand Marcos, and said that US interest in the polls could discourage any government cheating.

Laurel told a news conference that if the elections are clean, the opposition candidates "should have no problem" wresting control of parliament. But all they need, he said, is 40 seats to initiate impeachment proceedings against Marcos.

Laurel, president of the United Nationalist Democratic Organization (UNIDO), based his optimism on what he called the "outrage" sweeping the country because of the assassination of opposition leader Benigno Aquino, who was gunned down at the Manila airport Aug. 21.

Defense Minister Juan Ponce Enrile, reacting to Laurel, said there is no need for Laurel to be apprehensive about the elections, saying Marcos has laid down the policy that "no one will be allowed to tamper with the will of the people."

Enrile said the defense and military establishment, as a non-political institution, "will ensure that the rights and interests of everyone of whatever political persuasion will be safeguarded." More than 180 seats, each for a term of six years, are to be contested in the elections to the Batasang Pambansa (National Assembly) where Marcos's New Society Party controls all but a dozen seats.

Marcos, recently confronted with widespread demonstrations calling for his resignation, had said he will be surprised if his opponents get 30 seats unless they got organized.

Marcos was referring to disputes among opposition parties, some of which are calling for an election boycott. Laurel's UNIDO alliance is the umbrella for about 12 opposition groups.

UNIDO, Laurel said, will put up "powerhouse slates" in Manila and the provinces to include opposition stalwarts who had been out of power since Marcos proclaimed martial law in 1972.

Among them are former Senators Eva Estrada Kalaw and Ramon Mitra, several congressmen and Laurel's brother, former Congress Speaker Jose Laurel.

"I think the American factor is a very important factor as far as Marcos is concerned," Laurel said when asked if he thought that the announced U.S. interest in a clean Philippine election would affect the conduct of the May polls.

"I think Marcos has one eye on the United States government and another eye on the International Monetary Fund, the World Bank and the consortium of 350 banks (from which the Philippines is seeking new loans)," Laurel said.

He said foreign financiers are holding out on their loans until they are assured of political stability in the country, "and political stability means clean elections."

"Isn't it unfortunate and tragic that we can only probably hope for clean elections just because the moneylenders want it?" Laurel said. "They think clean elections will lead to political stability and...that might commence economic recovery."

Laurel, who had accused Marcos of rigging past elections, said that based on "Marcos's track record," he does not think the President would allow the opposition to win a significant number of seats in parliament.

"That's why I say it (the election) could be bloody," he said. If cheated, he said, the opposition will not resort to violence. "It will be the people who will opt for it, who will avail of the superior right of revolution," he said.

Laurel said the May polls could be the last peaceful means for change in the Philippines because the people are being radicalized "at a dangerously fast pace."

Rebels were massing last June, around Manila, he claimed, forcing Marcos to withdraw 28 battalions from the provinces to protect the capital.

Majority of Filipinos, Laurel said, do not want violence. "All they want is that elections be made fairly clean because that is the only peaceful alternative," he said. He said this is the reason Filipinos want elections and the reason UNIDO is against a boycott.

Laurel said, however, UNIDO may change its mind about taking part in the elections if election groundrules, currently being discussed by a

government-opposition joint committee, are not made fair.. Among opposition demands are appointment of neutral officials in the watchdog election commission and purging of the poll registry of fake voters.

Laurel also called on Marcos--often rumored to be afflicted with a serious disease--to "make a full disclosure about the state of his health." He said Marcos has a duty to make such a disclosure as President of the country.

CSO: 4200/420

OPPOSITION PAPER REPORTS IMPORT OF TEAR GAS, OTHER GEAR

Manila THE MANILA PAPER in English 20-26 Dec 83 pp 1, 12

[Text] MANILA--Despite President Ferdinand Marcos's assurances that he has adopted a policy of maximum tolerance on demonstrations, opposition groups this week expressed fears of more repression and massive arrests as protests continue to mount against his government.

They said there are indications the government plans to use force in breaking up marches and assemblies by various organizations and warned that the confrontation could lead to violence in many parts of the country.

The warning came in the wake of a disclosure by a retired University of the Philippines dean that a Philippine corporation is "seeking to buy 10,000 truncheons, 10,000 helmets, 10,000 gas masks and 150,000 tear gas bombs" from a French supplier.

Dr. Armando Malay, the retired UP dean, claimed that he came to know about this move through a Paris news clipping. The report did not, however, identify the Philippine company but it was presumed that it was making the purchase on behalf of the Armed Forces of the Philippines as end-user.

"Against whom will these (bombs, truncheons, helmets and gas masks) be used?" Malay asked in a recent speech before 600 churchmen, workers, students and professionals holding a four-day fast to demand the release of political detainees.

Malay said that "if these will be used against us, you can expect many more skulls will be broken, and much more blood will be shed," but admonished his audience that "this is not time to be afraid."

The UP dean, who is more widely known as a crusading journalist, premised his warning of more arrests and repression in the coming months on the country's worsening economic condition.

"The crisis," he said, "could lead to workers being laid off by the thousands, and this means more strikes, more pickets...force will be met with force."

Meanwhile, a report rendered by the Philippine Chamber of Commerce and Industry disclosed that thousands of workers would be laid off during the first few months of 1984 due to the present economic slump and the lack of imported raw materials.

Bernardo Villegas, vice president of the Center of Research and Communication (CRC) estimated that some 300,000 employes and factory workers would be affected by the shut-down of many industries, particularly import-oriented manufacturing firms such as textile and automobile companies.

CSO: 4200/420

BRIEFS

DEFAULT ON PAYMENTS CAUSES WHEAT DELAY--Portland, Oregon (AP)--The default by the Philippines on overseas payments has resulted in \$30 million worth of wheat being tied up in grain elevators. One Portland grain executive said the amount accounts for nearly half the country's total default to all U.S.-based companies. Shippers, fearing they won't be paid, are not loading available ships. At least three ships are anchored at or off Longview, Washington, waiting for a resolution to the problem. Four more ships were scheduled to stop at the area's silos this month to pick up grain for the Philippines; two have been diverted already. However, the Philippine government announced that it has recently opened letters of credit to make partial shipment of the cargo possible. The nation said it is heavily in debt, lacks foreign exchange and is unable to pay its overseas creditors. [Text] [Manila THE MANILA PAPER in English 20-26 Dec 83 p 7]

CSO: 4200/420

ACADEMY CLASS 8 SAID TO WIELD INFLUENCE IN RTA

Bangkok SU ANAKHOT in Thai 12-18 Sep 83 pp 8-13

[Text] After the revolution of 1-3 April [1981] that ended with the almost complete end of Military Academy class 7 in leadership positions, and when Gen Athit Ramlang-ek rose to the office of army commander as expected, the picture of shifts in power in the military became increasingly clear. The new power balance, in which officers from class 5 (each of whom had an important role in the suppression of the revolt working shoulder to shoulder with General Athit) were appointed to important leadership posts in army combat units, can be called a period of ultimate growth for the officers of this class.

But the promotions and transfers in leadership posts of last September have also affected the officers of class 5. The majority of those who held leadership positions in combat units advanced a level to the post of deputy division commander and division commander. And the additional promotions in April led to class 5's moving almost completely out of the regimental commander slots and into line for advancement to higher positions, thus obtaining the opportunity of attaining the rank of general. There are probably only two officers from the class still in charge of combat units. They are Col Pairot Chanurai, commander of the second cavalry regiment, and Col Pheo Thisakun, commander of the first artillery regiment. It is said that these two have remained in these posts because of an inability to find suitable replacements for them.

"Another still in direct command is Maj Gen Issarapong Nunphakdi, commander of the sixth division. Others, while holding the position of combat commander, are in charge of yet incomplete units and units just being organized such as artillery division commander Maj Gen Wirot Saengsanit, first special warfare division commander Maj Gen Vimon Vongwanit, and second special warfare division commander Maj Gen Khachon Ramanwong." So stated an officer from class 5 regarding the conditions of that class' control over military forces. At this time, that control has not expanded to the degree seen by some parties.

At the same time, what can be seen clearly is the large scale advancement into practically all the positions of combat unit leadership by officers in class 8 in the following period of time up through the present. If we look

back to the promotions and changes of last year, we can see that there was an increasing number of men from class 8 who were promoted to a higher level to take charge of combat units such as Col Banthit Malaiaarisun, deputy commander of the first infantry regiment who advanced to commander of that unit, Col Wathana Bunyasit who moved from commander of the first military police battalion to become commander of the third infantry regiment, and Col Prasert Chumunwai from the Army field forces department returned to his original unit as commander of the second anti-aircraft regiment. When these are added to the important people from this class already in controlling positions as regimental commanders, it can be seen that each officer in the class has advanced to positions of leadership in combat units in a way that can be called overwhelming.

The 1 to 3 April affair arose in part because of an excessive dominance by class 7 officers in positions of power which resulted in confusion in the military chain of command. And the bargaining power with commanders will result in later groups once again changing the power balance in the military when their time comes. Even though all this should be always kept in mind, the arrangement of power has involved efforts to establish the characteristics of a "balance of power" by mixing or combining several classes as much as possible in order that no class can walk on in and assume all the power. But because class 8 is large and will grow in the combat arms more than in the staff sections, its complete control of combat units may be unavoidable.

When we look at things in the area of seniority, we see that the majority of class 8 members are already at the level of special colonel, such as Col Norodon Detpradiyut, secretary of the army. Besides this, they hold the posts of heads of various regiments and of various administrative departments such as the Department of Personnel, of Information, and of Military Operations. And as for future growth, this September's promotions will result in class 8's advancing another level, that is to the position of "general." So this year's promotions may result in many people from this class moving up another rank. Examples include Col Yuthasak Sasiprapha, chief of staff of the first division, or several people who have been regimental commanders for many years and may advance to the post of deputy divisional commander.

Why is it class 8 that is assuming such important military responsibilities? This question might be a risky one to answer. But it is not difficult to understand class 8's rapid bloom into military responsibility. (See the table for the list of names.) It is because class 6, which is the senior group and should properly take over responsibility from class 5 according to the seniority system, has not done so; one reason being it matured in the staff line. Another reason is that the ability and achievements of each person in class 8 has been greater in the area of action than in intellectual pursuits, to the point that the considerable strength of group 8 is well acknowledged.

"After the dismissal of class 7, a gap developed that necessitated an arrangement of positions that combined classes 5 and 8; one can now see that while class 8 holds more positions than other classes, there is a

mixing of several classes without class 8 holding power alone. Class 5 itself has 2 people; group 6 has 3 or 4 people; group 7 still has 2 or 3; and one may also add classes 9 and 10." These were comments to SU ANAKHOT from a leadership level officer who distributed a list of examples for a clearer view of the issue.

Examples of leadership level officers from a group besides class 8, such as class 6, include Col Sanwit Sirimonthon, commander of the second artillery regiment, Col Sommai Wongkhaluang, commander of the 3rd artillery regiment and Col Yuthasak Mokoromani, commander of the 1st cavalry regiment.

In class 7 there is Col Prapha Ithikun, commander of the 1st anti-aircraft regiment, Col Sawaeng Onnak, commander of the 6th artillery regiment, and Col Umasak Chunchachit.

As for class 9 there is Col Ophat Khamphiraphan, commander of the 8th infantry regiment, Col Sonchet Sapsombun, commander of the 15th infantry regiment, Col Awut Wiphataphan, commander of the 152nd infantry regiment.

Examples in class 10 include Col Manot Buachum, commander of the 3rd infantry regiment, Col Saimit Ganyanit, commander of the 4th cavalry regiment.

"The growth and promotions of class 8 depends largely on the effectiveness of the members and the commanders who judge their capabilities. And each person from this class is intelligent, has had outstanding results, and has already developed in combat units. Members of this class are not new arrivals that have entered as big shots and acted only later. For example, Col Kanchat Klantakasuan, commander of the 7th infantry regiment, has been in Chiang Mai since he was a second lieutenant and a captain. Or Col Kitti Ratanachaiya, deputy commander of the 5th division, has always been in the south; Col Chunlekha Chanlekha has been in the Loei-Udon area for a long time; likewise Col Phet Watanaphut and Col Manat Aransi have always been in the 11th and 21st infantry regiments respectively." So stated to SU ANAKHOT an officer from class 8 with an important role and responsibility who concluded by stating that "this group is smart; it is as skilled as people say."

As for officers from class 2, those who have been observed as advancing to the level of deputy division commander are Col Kamon Udomsin, deputy commander of the 6th division and Col Kitti Rathanachaya, deputy commander of the 5th division. The above quoted officer from class 8 explained that "several officers were entrusted by the commander with the position of regimental head before the events of 1 to 3 April. This includes especially Col Kamon Udomsin who worked in suppression operations and achieved outstanding results in the Phu Phan area as a deputy commander of the 23rd infantry regiment, and then became commander of that regiment before April. Similarly, Col Kitti was a commander before [1-3 April] because of his achievements in [CPT] suppression."

At any rate, when we look back at the conditions of the balance of power in the armed forces, we must admit on the one hand that class 5, even though it has lost some of its hold in important forces, still retains quite a

significant role in terms of its sources of power. The promotions up one level for class 5 will probably be in the line of command of important combat units, ones in which class 8 is already positioned. And when we consider things well, the military chessboard under present conditions will probably be based on the principle of combining classes 5 and 8 in each division in which, according to regular lines, class 5 will be the commander of group 8 on a certain level, whether in infantry divisions, (especially the first division), artillery divisions, or special warfare divisions.

Class 5's remaining important role in the military stems in part from the RTA CINC great acceptance of and trust in this group, and also from the fact that there are several important officers close to General Athit who, after the events of 1 to 3 April, were identified as the four tigers from class 5. They include Col San Siphen, deputy commander of the 1st infantry division; Maj Gen Wirot Saengsanit, commander of the artillery division; Maj Gen Issaraphong Nunphakdi, commander of the 6th infantry division; and Phuchong Ninkham, deputy commander of the anti-aircraft division.

There are certain similarities between officers in classes 5 and 8. The view of several parties is that without the events of 1 to 3 April, at which time their power was being reduced, their expansion into positions of command (which was then being blocked) would have been difficult. And the role of important officers from class 8, especially Col Manat Aramsi, commander of the 21st infantry regiment, (then in the Queen's Tigers), who was the officer in charge of the forces in Chonburi that came in to help class 5 in suppressing the revolt in Bangkok, as well as other class 8 officers who cannot be clearly identified since they were then deputy commanders, resulted in this class benefitting from similarly great trust after those events and under the changing conditions of the military in the period that followed.

In the area of relations between classes 8 and 5, besides the links occurring along the lines of a 3 cornered pyramid in which both classes have close ties with General Athit, each class also has a core group that is very close to the CINC. It is well known that in class 8 Col Yuthasak Sasiprapha, chief of staff of the 1st infantry division who is close to Col Akharadet Sasiprapha is well able to integrate himself in this area. But one cannot see very clearly relations between classes 5 and 8 that are reflected outside those classes.

Whatever the situation, there have recently been strong rumors, presented already by SU ANAKHOT, to the effect that there is a combination of core groups between classes 5, 8, and 12 in order to revive a military power base for Field Marshall Praphat Charusatien. Especially in class 8, there are direct links with the former field marshal.

The immediate goal of the significant core groups is in line with the goal of those currents which are calling simply for the return of the property of field marshals Thanam Kittickhachon and Praphat.

"This is just something people are talking about. This combination of core groups and all sorts of things people are saying about the dragging of class 8 into an involvement with the appeals for the return of Field Marshall Praphat's property because Colonel Yuthasak is Praphat's son-in-law--I would like to affirm that we have never discussed this at all, nor is such talk of any use. For we are soldiers with responsibilities; for the most part we rely only on our capabilities. Holding parties for another class is normal among friends. Extra-curricular activities or the placement of this or that person in this or that post are not things we have done nor do we agree with them." This was the denial of a class 8 officer with regard to the accusations of combining core groups.

Another important observation about class 8 is that most of its members chose the infantry branch. The result is that group 8 has the [biggest share] of infantry commands. These include the 1st, 2nd, 11th, 21st, 31st, 4th, 7th, 13th, 152nd, 6th, 17th, 5th, 161st regiments. And because infantry forces are well known for their skill at coups, each coup has involved the use of these forces. As a result, one may look with all the more interest at the three tigers of class 8 which include Col Bantit Malaiaresun, Col Phet Wathanaphut and Col Manat Aramsi. These men are the commanders of the most important infantry regiments in the 1st infantry division and are responsible to Maj Gen Phichit Kunlawanit, commander of the 1st division from class 1. As well as having close links with Major General Phichit, Major General Phichit himself has a line to the position of army commander that grows clearer each day. Class 8's core group's links to Major General Phichit lead one to see a probable prosperous future for this class.

"Some officers, especially in the infantry units of class 8, have undergone training at Lopburi in the ranger curriculum, (special warfare units), where Major General Phichit was an instructor after returning from West Point. At that time, many officers from the class were soldiers there, thus showing that they have long standing private links with him. They have been eating and sleeping side by side with the major general since they were second lieutenants, so how could they not be close to him?" This was the statement of a class 8 officer in reference to relations between Major General Phichit and some members of the core group.

"The issue of combining power or how the class will develop must be seen from the actions and nature of these people. If you conclude that the class will have to pull in this or that person, then you must establish a domino theory of power balancing. But seeking things in that way is unjust." This was the view of another person from class 8 when asked by SU ANAKHOT about the confidence one could have in limiting the class' role in the military, not letting it exceed its boundaries to the point that it causes general problems as has been the case in the past when a group expanded its power in the control over forces to the extent that it could not be touched.

"We should not worry that history will repeat itself along the pattern of class 7's dominant rise. If the commander is absolutely strong, there should be no such problems. If we utilize the principle of supporting whoever is good and striking down whoever is bad, of kicking whoever is out of line back into line, we should not have any fears. If we don't act like this, the country will be in an awful situation. It is their group's turn to move up." A group 5 officer in the chain of command gave this similar opinion.

It can be expected that, in the imminent promotions of officers at the level of command in the various combat units, class 8 will be, as before, in control of a large part of forces in a way no different from the blueprint for tightening their forces in the military that is already being implemented. And in the long road ahead, if they sling to a powerful core group as has been the case, we will see a prosperous and expanding road for class 8 for a long time.

But we hope that their power will lead to greater prosperity and stability for the country, that they will not be the outdated and rotten instrument of dictatorial power as has been the pattern of previous military classes!

List of officers from Chulachomklau class 8 who have important positions on the level of direct control over forces in the army

<u>Name</u>	<u>Position</u>
1. Col Banthit Malaiaresun	Commander, 1st infantry regiment
2. Col Watana Sanpanit	Commander, 2nd infantry regiment
3. Col Phet Watanaphut	Commander, 11th infantry regiment
4. Col Manat Aramsi	Commander, 21st infantry regiment
5. Col Watana Bunyasit	Commander, 31st infantry regiment
6. Col Prasert Chumunwai	Commander, 2nd anti-aircraft regiment
7. Col Chaimuanwong	Chief of Staff, anti-aircraft division
8. Col Surachet Dechatwong	Commander, 4th infantry regiment
9. Col Kamchat	Commander, 7th infantry regiment
10. Col Chunlekha Chanlekha	Commander, 13th infantry regiment
11. Col Somchet Chutinan	Commander, 5th artillery regiment
12. Col Yuthasak Sasiprapha	Chief of Staff, 1st division
13. Col Prithay Nilobon	Commander, 2nd cavalry regiment
14. Col Awut Wiphataphan	Commander, 152nd infantry regiment
15. Col Prayun Midet	Chief of Staff, 2nd regional army
16. Col Chet Rotnusun	Chief of Staff, 3rd regional army
17. Col Banthao Yaiket	Commander, 6th infantry regiment
18. Col Kamon Udomsin *	Deputy Commander, 6th division
19. Col Wana Ronran	Commander, 17th infantry regiment
20. Col Kitti Ratnachaya *	Deputy Commander, 5th division
21. Col Chamnong Phairot	Commander, 6th infantry regiment
22. Col Sithichai Prathuanhin	Commander, 161st infantry regiment

*Note: recently advanced to deputy commander

MILITARY AFFAIRS AND PUBLIC SECURITY

MISTREATMENT OF SOLDIERS BY CADRES DEPLORED

Hanoi QUAN DOI NHAN DAN in Vietnamese 30 Nov 83 p 3

[Article by Quang Thong: "Strictness from Top to Bottom, Compliance with Regulations"]

[Text] Among the cadres whose behavior toward and handling of soldiers are rough, the usual blunder is to beat and scold soldiers, unilaterally to mete out punishments forbidden by regulations (such as skipping a meal, paying a fine, performing hard work, etc.) or to abuse one's power and take disciplinary measures above and beyond one's competence.

In this connection, the question to be raised is: In the training, education and advanced training of basic cadres, has one considered it important to stress that a paramount principle to be applied to a commander's behavior is to act in conformity with regulations? If regulations are to be implemented strictly, a cadre's words and acts shall not hurt the soldiers under any circumstance whatever.

It can thus be said right away that if all cadres from high to low echelons strictly implement regulations and act in conformity with them, instances of rough treatment will not occur.

Following an inquiry into the situation in a number of units, we have found out that the failure of people from high to low echelons to strictly implement regulations is one of the reasons why instances of rough treatment of soldiers have not yet been put to an end.

Among the units concerned, usually there are two kinds of repercussions following a rough handling of soldiers by a cadre.

In units where it has been possible to stop this practice, the reason is that all cadres from high to low echelons have strictly implemented regulations and that they have dealt with and resolved all cases in conformity with regulations no matter whatever echelon has been involved and under whatever circumstances. This course of action has won the sympathy of public opinion.

Nguyen Dinh K., commander of the 5th Battalion (B88 Division), was a capable, outstanding commanding cadre among all battalion leaders in the division.

Public opinion considered him a "favorite" of the division. When he made the mistake of roughly handling a soldier, people told each other: "Considering that this incident involved K., the higher level will surely ignore it or will merely call his attention to it for form's sake."

Yet, the division commander who had the same family name as the regiment cadre decided to propose to the higher level to take a stern disciplinary measure involving [K.'s] demotion and discharge from the function of battalion commander. The higher level analyzed the incident and concluded that though K.'s coarse manners neither caused any injury to the soldier concerned nor were heavy-handed, the nature of such a gesture showed that he lacked the essential qualities to become a commander. Moreover, it would be necessary to deal with this case in a really stern fashion in full accordance with regulations not only to educate K. but also and more importantly to set an example to educate all other cadres. This severe treatment stirred up public opinion and caused cadres at all echelons to draw a profound lesson for themselves. All that resulted in a turn for the better and a new development which put an end to the cadres' habit of handling soldiers rudely in the B88 Division.

In those units which have not yet stopped the cadres' habit of handling soldiers roughly, public opinion has usually blamed the various levels who have the right to deal with such incidents. Here is how a propaganda and training cadre in the 2B Regiment, B1 Group, explained to me the reason this "malady" had not yet been cured in his unit:

--To tell the truth, every commander wants to see an end to the cadres' habit of roughly handling the soldiers in his own unit. However, such incidents have occurred now and then at different places. The reason is that the unit has for long failed to establish a strict pattern of conduct from top to bottom. It goes without saying that the low echelons are likely to contravene regulations and to make blunders. But when dealing with these incidents, the high echelons have based themselves not on regulations but on feelings of sympathy for or hatred of a given commander. As a result, for the same type of incident, a commander who made a slight mistake has been dealt with severely while another who committed a serious blunder has been treated leniently.

We have just spoken about the high echelons' failure to take stern action in accordance with regulations whenever the low echelons made the mistake of handling soldiers roughly; this failure has made it impossible to completely end such incidents in units. But it is also necessary to speak about another facet of the problem: It is the prevalent failure to deal immediately and strictly with the low echelons' shortcomings. Following are some cases in point:

I had the opportunity to accompany the 06 Regiment deputy commander during his inspection of the way discipline was enforced in the 8th Company. When asked about the treatment and education of faulty combatants who left their unit and went home [without permission], the company leader replied: "In the past,

just locked them up in the company jail. He who repented and made a good self-criticism would be released soon afterward. But this measure did not prove quite effective. At present, we impose a fine--so much money for 1 day [of absence] and so much money for 5 days. The heavier the fine, the more effective the educational measure..."

This sounds strange: There are now a type of "jail at the company level" and a fine as a form of disciplinary measure. The high echelons certainly had discovered these violations of regulations. However, the regiment deputy commander neither issued a stern warning nor ordered the abolition of these wrong measures; instead, he merely advised the company leader mildly:

--It is important for all of you to try to win the soldiers' love for and close attachment to their units because all administrative measures should be taken only as a last resort.

In my opinion, though both the thinking pattern and working method of the low echelon were contrary to regulations, the high echelon --instead of dealing severely with this case and ordering an immediate end to similar incidents--merely contented himself with giving such a vague advice, which was tantamount to "showing the escape route to the roe deer." Inducing soldiers to devote themselves to their unit and to love it is a whole process of strenuous construction and education and not an easy task. Thus, on hearing such a vague advice, the low echelon would think: "Commander, you may have your mind at ease. We will 'invent' further measures and will surely find out some effective ones."

On another occasion, I accompanied the commander of the 5th Battalion (B21 Group) during his visit to the 2d Company. We arrived right at the soldiers' mealtime. Noticing that a soldier was busily rooting up weeds on the mess-hall yard, the battalion commander who seemed accustomed to this sight told me:

--I am sure that guy has infringed disciplinary regulations and has been punished and compelled by the company leader to perform labor and to eat his meal at a later hour.

The battalion commander gave me further explanations:

--A company cadre is just like a woman who has many small children and is busy all day long--not to mention the fact that he will be exhausted if there are in his company three or five soldiers who abuse freedom and are undisciplined. Just trying to resolve daily incidents in his company is enough to make him lose appetite and sleep.

All things considered, the battalion commander's explanation meant that one should show a sympathetic understanding, that the low echelons' mistakes and shortcomings in this respect were commonplace and should not be blamed.

That is a plausible explanation of the fact that many grassroots cadres--especially those from the company level downward--have continued to handle soldiers roughly and unilaterally to devise disciplinary forms which had been forbidden by regulations. Another reason can be attributed to the high echelons themselves who have failed to take stern measures and to base themselves on the nature of the shortcomings and mistakes and on the degree and scope of their own competence in dealing with incidents as specified clearly and meticulously in the regulations in order to exercise control and inspection and immediately to check the erroneous acts and shortcomings of the low echelons! Consequently, not only have the high echelons failed to help the low ones correct their shortcomings but, in many cases, the thinking pattern of the high echelons and their method of dealing with incidents contrary to regulations have done more harm to the low echelons.

During our visit to various units, many cadres confided the same feelings to us. Clearly, in units where such incidents have continued to take place, the failure of both the high and low echelons to take stern measures to comply with regulations is still a prevalent practice to be eliminated. In particular, in the process of preventing from afar all cases of rough handling by cadres in order to ultimately end this state of affairs in various units, a big loophole has been left untouched--that is, a sympathetic understanding not based on the provisions contained in regulations but leading to the ignorance of instances of true rudeness as cited in the preceding passages.

In our opinion, taking disciplinary measures is also aimed at educating people who have erred and helping them recognize their shortcomings. All the specified forms of discipline have been inspired by the educational spirit and the respect for the army men's dignity. This should be deeply understood by everyone at all levels and strictly implemented from top to bottom.

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CSO: 4209/124

MILITARY AFFAIRS AND PUBLIC SECURITY

COLLECTIVE OWNERSHIP PROGRAM SLOW IN HO CHI MINH CITY WARDS

Hanoi NHAN DAN in Vietnamese 26 Dec 83 p 2

[Article by Le Huyen Thong: "Collective Ownership in Ho Chi Minh City Wards and Requirements Established"]

[Text] Mrs. Th., a Doctor of Science from Canada, and Mr. T.B., an overseas Vietnamese living in France, recently returned to visit Ho Chi Minh City after a 12-year absence from their homeland. Visiting the members of her family and old acquaintances and through her own eyes and ears, a profound impression of Mrs. Th. about the daily life in this city was that the ward level administration knows how to rely on mass organizations to look after the lives of the laboring people. She gave a great deal of attention to the young girls daily pushing their portable stands with meat, vegetables and fish to the farthest narrow alley and the many households serving as agents in the subwards by re-tailing kilogram after kilogram of rice to the poor families. To T.B., the feelings of a patriotic intellectual far from his country over a long period of time were deepened farther when he saw the concern of the ward administration and subward teams for the fate of those left behind by the social ills of the old regime. Visiting Ward 8 of Go Vap District, a place with 14 brothels before the day of liberation, he talked to Mrs. T.S., nearly 40 years old, who had spent 20 years "selling her body." She has 12 children and must also care for and support a paralyzed 70 year old husband. When discussing assistance for the imperfect women, the ward people's committee decided on an emergency rice subsidy and in conjunction with the subward to arrange work for her family. In this ward, many individuals in the same situation as Mrs. T.S. have now become honest workers with a stable standard of living. Many of the women have created happy families.

A new feature in Ho Chi Minh City is that the ward has swiftly matured in the process of developing the collective ownership of the masses in carrying out the economic management and social missions and in continuously organizing many revolutionary action movements. The municipal party organization congress recently asserted, "The new ward organization mechanism is assisting to create increasingly greater numbers of model advanced neighborhood teams, subwards and wards in each and every aspect."

To Well-Manage Administration and Society

Ho Chi Minh City has a population of 2.7 million concentrated in 255 wards. Along with a number of key leadership cadres from the Municipal Party Committee, we participated in summarizing the establishment of primary level organization mechanisms in 12 wards of many different forms. Everyone recognizes

the importance of the ward level because it is the unit participating in formulating and carrying out the district plan. The ward primary level organization mechanism consists of the party organization, the administration and the mass groups accomplished in accordance with the principle of "Total leadership by the party, management by the administration and control by the masses." The mission of the ward is to fully resolve the economic, administrative, cultural and social problems as well as those of security and national defense. Through test supervision in Ward 10 of the 3rd Precinct, Ward 18 of the 8th Precinct and a number of other wards, the most evident experience gained was the need through economic leadership for creating conditions of administrative and social management. Economic leadership in the ward first of all concentrates efforts on developing small industry and handicrafts in close harmony with production reorganization along the collective work route with active transformation and market management. Only on the basis of production and business development along the proper course does the ward have the conditions to stabilize the living standards of the people, arrange employment, maintain security and achieve a new civilized life. In Ward 10 of the 3rd Precinct, from a location with an extremely small amount of small industrial production, the ward party chapter and administration joined forces to form greige goods teams, nearly all small landlords, into an advanced cooperative while expanding collective trade, attracting many laborers to jobs and swiftly increasing incomes. Through this, the ward resolved the social ills and well-managed the market and many other work aspects such as security protection, increasing savings accounts and appealing on youths in the subward to enlist, to become an advanced unit of the city. In addition, good administrative and social management also assisted in promoting production development. Of the 40 wards recently praised by the party organization as being strong, all first conducted good transformation in close conjunction with establishing and rearranging the different trades to thoroughly exploit the available potential capabilities such as mobilizing sources of capital, creating products and discovering skilled workers to support collective production. The small industry and handicraft sector in the wards swiftly doubled and in some cases tripled in development. It is common for the value of gross handicraft production in the wards to be 10 million dong and up. Dozens of wards have achieved from 30 million to 45 million dong. A number of locations have formed scientific and technical groups to serve as staffs for production and consumer cooperatives. Ward 24 in Tan Binh District gathered three college postgraduates and 27 engineers to assist in formulating the production plan, improving technology and creating many valuable products for export. The wards through economic leadership, first of all relying on the masses for inspecting contracts and processes for the use of electric power and funds, maintain principles, the financial system and administrative and social management. The practice of making a dishonest living and producing fraudulent or poor products is rapidly declining in these locations. The ward consumer cooperatives have all established a system of distribution from the state stores to retail stations and agents, including portable stands, to rationalize the formula of distribution into the hands of the consumer. The business capital of consumer cooperatives in some locations such as Ward 1 of the 6th Precinct has reached nearly 20 million dong. Many wards have stabilized and initially participated in controlling the market in a number of essential products such as rice, meat, sauces, etc.

The results above are not uniform. Small industry and handicraft production has developed fairly rapidly in the wards but is primarily promoted only in the individual and production team areas. Many labor cooperation teams are actually a boss-worker relationship and take advantage of their collective title to exploit the laborer. In these locations, the percentage of self-production and self-consumption is fairly high. Worthy of attention is that a number of the cadres here have a capital accumulation relationship, working and trading illegally with private merchants and individuals. Consequently, there are many negative aspects in labor management, including household registration management. Laxity in the leadership role creates a medium favorable for social ills to develop and a number of poor quality cadres to appear. In these wards, development of the administrative management function and collective ownership by the people is impossible because the party organization is lax in total leadership at the primary level. Deficient wards and locations in which there are many difficulties in the lives of the masses have objective causes within the overall situation but are primarily and first of all due to poor socialist transformation, especially in neglecting small industry and handicraft transformation in coordination with market management at the ward level.

Collective Ownership from the Neighborhood Team

We went to attend the meetings of neighborhood teams in a number of wards of the 1st and 3rd precincts. In teams 2, 3 and 4 of Ward 10 in the 3rd Precinct, the members criticized L., a neighborhood policeman, for unfriendliness, incompetence and failing to maintain a close association with the masses. Through investigation, the chapter committee saw that the observations and opinions of the people were correct and therefore, promptly suggested a review before the neighborhood and a transfer of this individual to protection work in the ward. After that, L. made a good change and was trusted by the people. In teams 16, 19 and 20, many women and elders criticized the ward administration for neglecting market management by allowing a number of merchant families to do business without a permit.

At the neighborhood team meetings, many stories can be imagined as "insignificant" but they clearly express the relationship of the party organization and administration with the masses. Experience during the past 2 years has shown that the neighborhood team is truly the location developing the collective ownership rights of the laboring people. From the matters of supplying grain to families in accordance with the system of assuring business and on the spot evaluation of changes in those taking part in transformation to the management of electric power, arranging employment for the youths and giving financial assistance to families with few helping hands, all are regarded with reason and feeling by the members of the neighborhood team and all are suitably examined by the ward administration. Activities by neighborhood teams in some locations have resulted in the discovery of dishonest elements and assisted in controlling the illegal actions of a number of cadres and in inspecting the achievement supervision process in the ward. Practice has clearly indicated that people who are unable to achieve collective ownership in every aspect from the neighborhood team level will be unable to achieve social collective ownership. Here the duties and rights are closely connected. The neighborhood teams are the very locations where the lines and policies of the state

are effectively achieved. The establishment of powerful wards must begin with powerful neighborhood teams.

Through construction of the new mechanism, Ho Chi Minh City has established 12,617 neighborhood teams in 255 wards. Each team has from 25 to 40 households with 100 to 200 citizens. The team leader is in overall charge and two deputy team leaders are responsible for security and daily activities. The team leader and deputy team leaders collective is called the operations committee. The team has group organizations such as youths, women, elders, civil defense personnel, mediators and the red cross. Every ward has a number of advanced teams. The teams truly and competently contribute toward participation in public order and security management, production labor mobilization, new civilized way of life construction and fulfillment of obligations to the state.

Generally speaking, the activities of neighborhood teams in many locations are not of high quality. The problem presented is the need to closely examine the aspirations of the people in order to establish a more effective and richer team activity theme. Meetings in the neighborhood teams are aimed at allowing everyone to be comfortable, not only fulfilling their obligations to the state but more importantly, best achieving their vital interests. It is through the mass organizations that new neighborhood team leaders and deputy team leaders are correctly chosen, assuring a mechanism that well-achieves the activity theme. Responsible cadres in the teams must be individuals trusted by the masses, have a proper perception of the system, be wholeheartedly in step with the interests of the people and be insistent and understanding in mass movements. Each neighborhood team strives to establish a party team or loyal team in order to transform the policies of the party into actions of the masses. This is the motive force of the team members in joining the administration to overcome every difficulty in day to day life.

Organizational Irrationalities in the Subward

A characteristic in Ho Chi Minh City is that more than half the ranks of key cadres in the wards are younger than 35 with fairly high educations. Many of the responsible cadres in ward administrations are graduates from the colleges or general schools of the old regime. They have all matured in the revolutionary movements of neighborhood teams and subwards. Greater progress has been made in the construction of political forces and especially party development. Ward party committee echelons have also made progress. Dozens of party chapters have become ward party committees and the core cadre forces have been more evenly distributed. However, compared with the requirements of the new mechanism in ward organization, party development is still slow while socialist emulation movements at the primary level are heatedly developing; thousands of emulation soldiers are being trained in actual practice. Many subwards still have no party members or have not yet established party cells. The party member structure in the party chapters is half occupied by retired cadres and has not yet been developed to the proper level.

The city has 1,205 wards. Each ward has from three to six subwards. They are not an echelon but a structure connecting the neighborhood teams of one area.

The subward has a mission of resolving the daily living requirements of the masses which are beyond the capabilities of the neighborhood teams and which the ward is unable to handle due to insufficient manpower. Many subwards have mobilized the masses to establish production teams and cooperatives, repair roads, build nurseries, etc. Every ward has advanced subwards.

In following the construction of subward organizational structures, we recognize that each location works in a different manner. Many wards establish subwards in accordance with decisions of the Municipal Party Committee but there are also many locations that establish additional operations committees or party affairs committees in conjunction with subward party chapters and cells, creating a fairly complex relationship where organizations overlap each other and functions are not clear. Thus, the subward is an intermediate level which causes supervision by the ward to be awkward. What work is supervised by the party cell and what jobs are assigned the subward operations and party affairs committees? This leads to a situation in which the party cell and subward operations committee issue resolutions to the neighborhood teams differently in each location.

In accordance with a resolution of the Municipal Party Committee, wards will continue to carefully study the establishment of subwards and must not form additional operations committees for work which is the responsibility of the party cell. Organizations and sector committees in the subwards will continue to maintain direct relationships with their own sectors in the ward. Before assigning work of the sector to the neighborhood teams, discussions must be held in the subward. Experience in a number of wards has indicated that party secretaries, committee chairmen or chapter committee members must serve directly as party cell leaders in the subwards before favorable conditions are created for handling those transmitting resolutions down to the neighborhood teams and also for overcoming a situation of working in a bureaucratic manner.

The responsibility of sectors and committees in the districts and city to the wards has not been given the proper level of concern and conditions have not been created for the wards to operate in accordance with the new mechanism. A number of sectors have not yet been assigned to ward management, creating obstacles in achieving the collective ownership rights of the laboring people at the primary level.

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PARTY ACTIVITIES AND GOVERNMENT

HO CHI MINH CITY CARRIES OUT THREE REVOLUTIONS

Hanoi NHAN DAN in Vietnamese 6 Dec 83 pp 3, 4

[Article by Nguyen Van Linh, Secretary of the VCP Committee of Ho Chi Minh City: "Ho Chi Minh City Simultaneously Carries Out the Three Revolutions, Develops the Strength of an Industrial Center"]

[Text] During the past 3 years, especially since the implementation of the resolution of the Fifth Party Congress, the changes in Ho Chi Minh City have signified a new, strong, solid phase of development on the path of advance to socialism. That is a phase full of challenges, one in which the local economic-social situation has undergone complicated changes. The steadfast revolutionary tradition of the party organization and working people of Saigon and Cho Lon has been strengthened in the process of the city manifesting dynamism, creativity, and initiative in resolving difficulties in order to maintain and develop production and organize living conditions. An outstanding feature is that the city has continually endeavored to overcome the extremely fierce difficulties and shortages and has given rise to revolutionary action movements with rich, varied forms. The masses' consciousness of collective mastership has been manifested in a lively manner in the activities of the youth, trade union, women's, teenagers', and old people's mass organizations, and the circles and sectors, with specific emulation goals. The movements to engage in production labor and become skilled workers, and the movement to study, catch up with, and surpass the advanced models in the factories and enterprises have further affirmed the leading role of the working class in a city that is an industrial center. It is encouraging that the industrial production rate has increased rapidly every year despite shortages of raw materials and technical materials. In 1981 industrial production increased 26.1 percent over 1980 and in 1982 it increased 43.5 percent over 1981 and was 10 to 15 percent higher than the production development norm set by the Second Party Organization Congress. In 1980 the payments into the state budget by state enterprises amounted to more than 1 billion dong and in 1982 increased to 8.5 billion dong. Many central and municipal enterprises have been restored and their production capacity has been increased. A number of new machinery and export goods production installations have been built.

The development of industry has created conditions for the all-round development of agriculture. In 1982 the grain output in the areas around the city was the greatest since the liberation (236,000 tons). The city has met most of its vegetable needs and grows vegetables for export. Recently, the

industrial crop and fuel crop areas have developed rapidly and there have appeared good models in combining agriculture and industry at the basic level. The completion of the land adjustment ahead of schedule has stimulated agricultural cooperativization and the construction of a new countryside.

Since the resolution of the Political Bureau on the work of Ho Chi Minh City the party organizations have given more concentrated leadership to distribution and circulation. The women's federation, the Youth Union, and the trade unions have participated actively on that burning front. Progress has been made in commercial and service viewpoints. Initial progress has been made in reorganizing the five essential commodities: rice, vegetables, meat, fish, and cooking fuel. With regard to rice, the retail network was expanded from 400 to 2,000 locations to ensure that goods directly reach the workers, and sudden rises in the price of rice have been prevented. With regard to finance and banking, efforts have been made to improve service to production and life. Beginning in 1983 the city ended its deficit situation and has had surpluses the past 10 months.

The city promptly paid attention to exporting and importing, which had a great effect on stimulating the development of production and the stabilization of living conditions. It strictly implemented the resolutions of the Political Bureau, and the executive committee of the party organization promptly reviewed all tasks and delineated measures for correcting deficiencies. Since then the city's export-import activities have been rectified with regard to both organization and the orientation of activities.

The city, a central focus of the enemy's many-sided war of destruction, has maintained political security and social order and safety. The protection of national security and the "For the homeland's front line" campaign have become a mass movement. The city has also launched a mass culture-art movement, built a new way of life at the basic level, and used good examples and advanced models to inspire others. Reactionary, decadent culture and art have gradually been repulsed. Forged in the mass revolutionary movement, the party organization and the governmental system have been consolidated and have further matured with regard to ideology, organization, and ability to lead and guide plan implementation.

The above-mentioned initial results were due first of all to the party organization's strict implementation of the lines and policies of the Central Committee, and their application in a manner appropriate to the city's characteristics. The party organization has brought into play the enthusiasm and revolutionary tradition, combined strength, and collective mastership right of the working people and, especially, has maintained internal solidarity and unity in both thought and action, manifested a spirit of self-criticism and criticism, and strictly corrected the deficiencies. The city's transformation has been tied in with the concern and care of the Political Bureau, the Secretariat, and the Council of Ministers, which monitored, led, and guided the central ministries, departments, and sectors in positively supporting the city in its activities, and with the increasingly closer cooperation of the provinces and municipalities all over the nation, especially the provinces in the region.

In the process of guiding plan implementation we have also had a considerable number of deficiencies. The recent second session of the Third Congress of Delegates strictly criticized the guidance of the Municipal Party Committee and reviewed the city's deficiency of not manifesting a sufficiently strong sense of responsibility toward the central role of industry -- serving agriculture -- in order to quickly form an industrial-agricultural economic structure in the city and the region. For 3 consecutive years the production of many principal products has fallen short of the plan, production is not yet stable, quality is low, the state does not yet control all of the products that are produced, and only about 40 to 50 percent of the state industrial capacity is utilized. The supply-as-needed administrative system in industrial production is still rather strong and the enterprise management apparatus has not yet been consolidated. Adequate attention has not been paid to coordinating, exploiting, and developing the city's machinery sector. A number of industrial, small industry, and handicrafts cooperatives and production combines exist in form only and workers are still exploited by owners. Tax evasion, speculation, black marketing, ersatz goods production, and collusion with corrupt cadres to obtain state materials and raw materials occur every day. That has adversely affected labor productivity, economic effectiveness, and product quality, and also adversely affects the workers' income.

Those deficiencies have been prolonged and the present difficulties with regard to living conditions are due in part to objective factors of the over-all situation. But for the largest part -- as stated by the party organization congress -- they are due to the fact that the city has not done a good job of carrying out socialist transformation, and has not yet effectively regulated the excessively disparate incomes of the various strata of people. At first the city was impatient, but then, prior to Resolution 01 of the Political Bureau it relaxed its guidance and did not yet clearly realize the fierce nature of the class struggle and the struggle between the two paths and their close relationship to the struggle against the enemy's many-sided war of destruction. The party organization is not yet fully vigilant toward the evil vestiges of the old regime left behind by the enemy, which are exerting persistent and very complicated influences in social life, and it is not adequately vigilant toward the enemy's new plots and schemes. Meanwhile, at times, in places, and in many regards the echelons and sectors in the city have relaxed the proletarian dictatorship, so it has not yet effectively eliminated negative phenomena in society and within the party.

Transformation Closely Combined With Construction

The missions of the next 2 years, as pointed out by the recent Municipal Party Organization Congress, are to promote the simultaneous implementation of the three revolutions and bring into play the strengths of a city that is an industrial center. First of all, it must strive to gradually stabilize and improve the living conditions of the working people in all regards -- jobs, food, housing, travel, education, cultural activity, and medical treatment -- with consciousness of self-reliance, in accordance with the slogan "the central, local, and basic levels and the people work together," and on the basis of developing production, increasing labor productivity, improving product quality, practicing economy, lowering production costs, increasing economic effectiveness, concentrating on developing the socialist commercial

and services system, promoting the transformation of commerce, and doing a good job of managing the market.

Under the light of the Central Committee resolution and the directive of comrade Le Duan, the party organization has become increasingly aware of the city's advantages, especially its industrial production capacity, including central industry, local industry, modern industry, small industry, and handicrafts. The actual situation has increasingly affirmed the organic relationship and alliance of a law-like nature between the city and the region, as if they formed a single unity. Therefore, the city's mission is to step up the pace of industrial and agricultural production, combine industry with agriculture, achieve economic cooperation between the city and the provinces and municipalities in the region and all over the nation, and quickly form an industrial-agricultural economic structure in the city and the region.

In order to fulfill our production missions and stabilize living conditions, we have actively promoted export-import activities. Ho Chi Minh City must grow and become rich by developing exports, tourism, and international services. First of all, it is necessary to transform the city into an "export city," as directed by the Party General Secretary.

It is important that we promote transformation combined with construction, with emphasis on construction, and make the city's central role that of an industrial city. We must reorganize the production sectors, have correct and complete policies, and pay special attention to in-depth investment in order to utilize well the existing labor and industrial potential. We must endeavor to essentially complete the socialist transformation of commerce, industry, and agriculture by 1985. We must rapidly consolidate and develop the state and collective economic sectors, and complete the cooperativization of agriculture in areas around the city in the forms of production collectives and cooperatives.

In the transformation process we must promote the scientific-technical revolution in a manner that corresponds to its key position in the three revolutions, and to the central position of science in the city. Service to the city and the entire region must be the goal of the activities of the scientific-technical sector. By means of those activities we must develop and assemble forces and forge the ranks of intellectuals with regard to both work ability and attitude toward service. We must further promote the ideological-cultural revolution and closely combine it with the revolution in production relations and the scientific-technical revolution, in order to carry out the all-round transformation and development of the city. Special attention must be paid to the relationship between the ideological-cultural revolution and the production labor movement. We must strengthen and build the new culture, the new way of life, and the new socialist man, and cause the lives of the city's people to become increasingly characterized by labor, wholesomeness, and civilization, so that they can be worthy of the city bearing the name of Uncle Ho.

The party organization must be concerned with teaching consciousness of revolutionary vigilance, consolidate and strengthen the security and national defense forces, and ensure the defeat of the enemy's many-sided war of destruction.

Urgent Problems

The city's party building work has attained important political, ideological, and organizational results. The basic-level party organization has been gradually improved. However, that work is still beset with many weaknesses and deficiencies. Especially, political-ideological education has not been prompt and has lacked sharpness. Attention has not been paid to party development in the working class and to fulfilling cadre training plans. A matter of decisive importance in the fulfillment of those missions is strengthening the combativeness and leadership, guidance, and implementation organization. At the same time, it is necessary to increase the effectiveness of the governmental apparatus in economic management, social management, and organizing living conditions, and to launch a strong mass revolutionary movement. An urgent mission of the party organization of Ho Chi Minh City is to build a strong Party and a strong Ho Chi Minh Communist Youth Union, and to continue to develop the corps of cadres in order to ensure their quality and ability to engage in actual activities, especially their economic management and social management ability. We must endeavor to develop the municipal party organization into a party organization that is strong politically, ideologically, and organizationally, and tie it in closely with the working class and the laboring people. First of all, we must strengthen education, heighten communist ideals and working class stands and viewpoints in the struggle between the two paths, combined with steadfast adherence to the standpoint of opposing Chinese expansionism and hegemonism, in league with the U.S. imperialists and the other reactionary powers. We must strengthen our inspection work, maintain discipline, revolutionary qualities and virtues, and solidarity in the party. During the next 2 years we must make all-out efforts to develop 3,000 additional party members who are workers engaged directly in production. Workers engaged directly in production must account for between 27 and 40 percent of the total number of party members in the enterprises. In developing the party, it is necessary to oppose both narrow thinking and the tendency to pursue quantity and not ensure quality. People who are no longer fully qualified to be party members must be resolutely expelled from the party. We must do a good job of fulfilling the cadre plan, strengthen the party protection work, and ensure that the enemy and the bad elements do not sneak into the party and the state organs.

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ECONOMIC PLANNING, TRADE AND FINANCE

HO CHI MINH CITY INDUSTRIAL DATA PUBLISHED

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[Chart of Industrial Production in Ho Chi Minh City]

[Text]

	Industrial Development				
	1976	1978	1980	1981	1982
1. Total Production Value (at constant rate)	1.3	2.3	2.1	2.7	3.8
Central level	.97	1.29	.76	.81	1
Local	.4	1.02	1.37	1.89	2.87
Percentage of national industry	16.8	23.9	26.10	29.4	37.1
2. Production Bases					
Central state bases	146		136	150	150
Local state and joint public-private	69		132	146	146
Cooperatives			197	253	300
Production teams			2,004	1,760	2,002

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ECONOMIC PLANNING, TRADE AND FINANCE

ILLEGAL PROFIT MAKING TRICKS OF GHOST COOPERATION TEAM EXPOSED

Hanoi QUAN DOI NHAN DAN in Vietnamese 29 Nov 83 p 3

[Article by Tran Dinh Ba: "Illegal Profit Making Tricks of a "Ghost" Cooperation Team"--Part I]

[Text] Editorial Staff's Note: Recently, a reader sent a letter to QUAN DOI NHAN DAN. Following is a passage:

"To reestablish socialist order in the field of production, circulation and distribution and to contribute to the antinegativistic struggle, we earnestly propose that your newspaper spare some time to examine the working method of a production team called Tu Luc which has registered its business premises at 15C B.T. Lane, Hanoi. Several questions have been raised as follows:

1. Headed by Mr Hoang Van D., the Tu Luc team at 15C B.T. Lane has moved out of these premises a long time ago. Why has the local administration continued to issue the registration certificate and all other papers connected with its commercial activities?
2. Mr D.'s team has frequently signed contracts to manufacture belts and the plastic parts of military caps for some units. Actually, the only production installation of Mr D. is situated at 268 Trung Liet, Dong Da Precinct, and is not capable of producing the goods mentioned in the signed contracts because it neither has a pressing and rolling machine nor is supplied with a three-phase electric current.
3. In reality, Mr D. is a contractor who has signed contracts but has not performed production; he has mainly hired other installations to do almost all the works so that he may act as a go-between to make a great profit. This is a very wrong act which contravenes the state policy.
4. Mr D. has frequently carried out underhand dealings in order to take raw materials out of state and army warehouses and to sell them later in the market instead of using them to carry out the production contracts.

Based on this disclosure by a reader, QUAN DOI NHAN DAN has assigned some reporters from its economic editorial bureau to make inquiries about this cooperation team.

The Luc--a Ghost Cooperation Team

The cooperation team called Tu Luc is headed by Mr Hoang Van D. who is the holder of business permit No 132 issued by the H. Precinct on 16 September 1982. The business permit says:

--Permanent residence: 3B Street No 325.

--Occupation, principal commercial goods: Glossy imitation leather belts and nickel-plated bicycle spare parts.

--Occupation, subsidiary commercial goods: Casting and manufacture of sauce-pans, pots, fan bodies, and plastic straps, linings and visors for hats and hats.

--Form of business: Doing work on contract with and purchase of goods by the state.

--Business premises: 15C B.T. Lane; 268 T.L. [Trung Liet].

--Fixed capital: 1,600 dong; floating capital: 2,000 dong.

--Total number of laborers: 05 (principal) and 02 (assistants).

On reading the business permit, we can immediately see a great contradiction: With a fixed capital of only 1,600 dong, how can the Tu Luc cooperation team have enough material facilities, machines and equipment to do these jobs and to produce the goods mentioned in the permit?

To understand more clearly the reason for the issuance of the permit, we paid a visit to the L.D.H. Ward for a working session. It is regrettable that on that day we could not meet the three cadres in charge of keeping an eye on the cooperation team and managing it. Instead, we were received by D. Kh., a ward cadre in charge of the labor force.

--Dear comrade, [we asked,] to set up a cooperation team, is the person to whom a business permit has been issued compelled to register as resident in the ward?

--The person issued with a business permit is compelled to register as a resident in the ward and to own the production premises therein, Kh. replied.

--So I have to tell you something, dear comrade. I come here to ask all of you to explain the existence of a cooperation team which has neither a residence certificate nor a business premise in this ward but which has nonetheless been confirmed by the ward and issued with a business registration certificate and all other commercially related documents. It is the team of Mr Hoang Van D. who has registered its business activities at 15C B.T. Lane.

D. Kh. opened his task execution record and immediately found the name of the Tu Luc team of Mr. Hoang Van D. ; he affirmed:

--Mr. Hoang Van D.'s team is situated at 15C B.T. Lane and has surely registered its residence in this ward.

What is the truth about the permanent residence registration and production premises of Mr. Hoang Van D.? On inquiry, we found out that Mr. Hoang Van D. formerly worked with a state agency, that he has retired for more than 10 years and that in the past he had registered as a resident of the collective residential area 3B in Street No. 325. According to Mr. D., before his retirement, the said agency gave him materials and means to help him buy land and build a house at 268B, T.L. [Trung Liet] and that his own permanent residence and that of his entire family has been transferred to that new house ever since.

As for the production installation at 15C B.T. Lane, it produced bicycle spare parts and belonged to another cooperation team. People in the latter team told me they bought this installation from Mr D. as far back as 1980. Mr D. personally had confirmed that he had to sell this installation because it had an area of only more than 10 square meters and was thus not large enough to accommodate equipment, machines and other facilities.

I called on Mr D.'s private house which was situated at 268B T.L. [Trung Liet] and which was described as installation No. 2 in the business permit. At this house, apart from a fairly large warehouse of discarded materials and an aluminum-saucepan mold of size 24 (representing Mr D.'s true occupation) together with some other machines, there was a small room of about 5 or 6 square meters at a corner of the garden where two plastic pressing machines designed to make military cap visors were seen standing; these machines were rusty (though one of them was recently bought from another team). Especially noteworthy is the fact that Mr D.'s house had not yet been supplied with a three-phase electric current and that plastic coated wires, fuse boxes and screws to be used to install the three-phase electric current were still lying scattered all around. Without the three-phase electric current, it would be impossible to produce the goods for which Mr D. had for long signed contracts with many customers.

It appears that Mr. Hoang Van D. has neither a permanent residence nor a production premise in the L.D.H. Ward; moreover, his subsidiary production installation does not have the conditions, equipment and machines to produce the goods and products mentioned in the business permit. If so, why have the L.D.H Ward and H. Precinct continued to issue a business permit and all commercially related papers to Mr Hoang Van D.?

Article 2 of the regulations on economic contract system (promulgated along with Decree No 54-CP of 10 March 1975 of the Council of Ministers) states clearly that "signing economic contracts is an act conformable to the state discipline" and stipulates that contract signing units are only allowed to sign economic contracts with small industry and handicrafts production teams whenever the latter have a current account with the bank. On inquiry, we have found out

that the business permit No 132 of Mr. Hoang Van D. does not mention a current account number. Why have the goods owning units which have established commercial relations and signed contracts with Mr D. failed to implement these regulations?

On hearing that we were investigating this case, Le N., a cadre whose unit had signed a contract with Mr D., told [people in] a production installation:

"We know that Mr D.'s team is a ghost one but we have signed a contract because he is a 'member of the family.' It is true that the goods Mr D. bought from the H. warehouse were of good quality and in large quantity but the invoice said they were discarded materials and substandard products and that their volume was negligible." Le N.'s open statement has shown more clearly the "ghost" nature of the Tu Luc cooperation team. (MORE)

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ECONOMIC PLANNING, TRADE AND FINANCE

FURTHER REPORTS ON GHOST COOPERATION TEAM

Hanoi QUAN DOI NHAN DAN in Vietnamese 30 Nov 83 p 3

[Article by Tran Dinh Ba: "Illegal Profit Making Tricks of a "Ghost" Cooperation Team"--Last Part]

[Text] Illegal Profit Making Tricks

For some time past, the Tu Luc cooperation team has managed to sign a number of contracts. Prior to 1981, there was a contract to manufacture belts for the Q.T. unit. From 1982 to date, there has been a contract to manufacture visors, straps and linings of military caps for the X.workshop and the Tien Binh cooperative which are specialized in making military caps for the N.V. unit. Many other contracts have also been signed with other customers.

We have sufficient grounds for asserting that in execution of almost all his contracts, Mr Hoang Van D. has not performed production or has only produced a very small volume of goods. To have enough products to deliver to his customers according to the contracts, Mr Hoang Van D. has usually hired many other production installations to manufacture such goods or has bought these goods from them at a price cheaper than that specified in the contracts.

Following are some examples:

On 20 September 1982, Mr. Hoang Van D. signed with Mr Nguyen Van Tue--head of the Binh Minh team, 109 Hang Bot Street--a contract on the rolling of PE plastic sheets at the price of 38 a kilogram to enable Mr D. to make straps and linings for military caps and other kinds of hats and also to produce many other components. The Binh Minh team managed to obtain all the necessary raw materials. With each kilogram Mr D. produced 36 military cap straps and linings (which he charged 6.5 dong each in the contract he had signed with his customer.)

The Binh Minh team revealed that Mr D. requested it to sell him 50 to 100 kgs a day. The Binh Minh team worked continuously for Mr D. from 21 September 1982 to 5 August 1983. All in all, Mr D. bought 10 tons of this product from the Binh Minh team. Mr D. bought each kilogram at the price of 38 dong but sold it to his customer for 234 dong, making a profit of 196 dong. By making a simple multiplication, one will find that Mr D. bought 10 tons for 380,000 dong and sold them for 2.34 million dong, thus making a profit of 1.96 million dong (!)

Mr D. did the same way with the military cap visors which were the object of a contract signed with the X.workshop.

To make a great profit, Mr Hoang Van D. tried by all means to use the "cooperative" label to siphon supplies and raw materials out of state and army warehouses and to sell them at the free market, thus earning a huge sum of money.

We met with Mr D. twice to ask him about the newspaper reader's denunciation of his act of siphoning goods out of state warehouses.

According to the newspaper reader, he "siphoned" off a certain quantity of raw materials from the H. warehouse and also more than 1,000 corrugated sheets from another warehouse adjacent to Route 5; these sheets were between 1.2- and 1.5-mm thick, 20- and 80-cm wide and 80- and 250-cm long. The newspaper reader also pointed out clearly that in January 1983, a 4-ton capacity "Liberation" truck bearing the 114-181 number plate carried away these corrugated sheets for him. Some neighboring families affirmed that the improved carts employed by Mr D. had to make 30 trips to transfer all the corrugated sheets from the high road to his private house at 268B T.L. [Trung Liet], Dong Da, and that each cart had to be pulled by one man and pushed by four others.

Mr D. admitted that he did take goods from those two warehouses but claimed that they were merely "discarded materials."

Our duty was not to make further investigations into his act in order to clarify this matter. We were merely interested in finding out how he managed to siphon off goods from state warehouses.

After inquiring about many persons involved in this case, we came to know rather clearly about the trick employed by Mr D. to siphon off goods from the H. warehouse.

In the name of the Tu Luc cooperative, on 20 December 1982, Mr D. sent an official letter without serial number to the leading committee of the H. warehouse.

After mentioning the goods to be produced according to the contracts he had signed, Mr D. wrote: "Especially noteworthy is the fact that almost all the cooperative members at our installation are wounded soldiers and retired employees." (!) In reality, no member of the Tu Luc team was a wounded soldier. In addition, Mr D. deceived the high level by turning his cooperation team into a "cooperative" and the cooperation team members into cooperative members. He also clearly expressed his "wish to receive regular supplies from the H. warehouse." Moreover, the chairman of the ward people's committee affixed his signature and expressed his approval with the mention: "It is suggested that your unit give assistance and make raw materials available for production." On the back page of the official letter, the director of the X. enterprise which had signed a contract with Mr D. made the following proposal: "In 1982, the Tu Luc cooperative signed a contract to make military cap visors out of

discarded plastic--a material not in our enterprise's possession. We propose that the H. warehouse create all conditions for the cooperative by selling this raw material to it for the purpose of production."

Holding firmly in his hand this "legal" wand endorsed by the ward people's committee along with a hand-written letter from an acquaintance of the H. warehouse, Mr D. set out to carry out his scheme by throwing out cautious but very urgent feelers--the first "moves of the game." To begin with, he called at the private house of Mr X. (a power in the H. warehouse) in Hoai Duc. Since Mr X. was away from home, Mr D. handed to Mr X.'s wife a gift composed of 1 kg of good quality tea, a carton of Song Cau cigarettes and 2,000 dong in cash (a new type of 2-dong bills with the still intact seal of the bank). Two days after, Mr D. again called at Mr X.'s house. After receiving very auspicious "signals," on 17 December 1982, he and a few other persons came right to the H. warehouse to receive the goods.

A person hired by Mr D. to handle the goods on that day recounted: "We entered the warehouse and took out intact bundles of products. The category A product weighed 1,475 kgs (each kilogram was composed of four pieces). In addition, we carried four other bundles aboard our vehicle: these bundles were not weighed but their weight was about 4 quintals. The category B product was composed of four pieces and the category C product also included four pieces."

The invoice No 27 marking the transfer of goods from the H. warehouse to the Tu Luc cooperative mentioned the following items:

--Category A produce: 515 kgs x 20 = 10,300 dong.

--Category B product: 56 kgs x 10 = 560 dong.

--Category C product: 74.5 kgs x 12 = 994 dong.

The total was 11,854 dong.

Holding the invoice in his hand, the man hired by Mr D. took fright when he noticed that the description of the product quantities and qualities did not correspond to the truth. He said:

--As matters stand, if they inspect and discover [the inaccuracy] when we arrive at the gate, we will surely end up in jail.

Mr D. whispered in his ears:

--Never fear! I have already offered a "tip" of 6,000 dong. Don't bother, get into your vehicle and go back home. Nobody will ask any question.

In fact, once a number of cadres and employees at the H. warehouse and some concerned units had lent a hand to Mr Hoang Van D. in his illegal business, all procedures and paperworks were carried out solely for the sake of

appearance and designed only to legalize such unlawful dealings and to hide them from other people. This was exactly the reason for the following blatant contradiction: The goods were received on 27 December 1982 as specified in the transfer bill but the proposal for the sale of raw materials by the H. warehouse to Mr D. was signed a day after (28 December 1982).

We must point out that since the beginning of 1983, Mr D. has not signed any kind of contract requiring the use of those products as raw materials. Actually, Mr D. had sold that entire batch of goods in the free market at the average price of 50 dong a piece of category A product (which now costs 80 dong). Reckoning by the then market price, Mr D. made a sum of 370,000 dong out of the category A product alone.

The policy and endeavor of our party and state have always been to create all the necessary conditions for the continuous development of the small industry and handicrafts production sector with the objective of producing much more consumer goods to meet requirements of the society and exportation and especially to provide jobs for everyone. However, the law will decidedly not forgive persons who take advantage of the state policy to carry out illegal business activities.

Circular No 253-TTDB of 21 May 1980 explains the way to implement the Statutes on the signing and execution of economic contracts on production, material supplies and product consumption by the small industry and handicraft sector; these statutes were promulgated along with Decision No 358-CP of 3 October 1979 of the Council of Ministers. Article 4 of Section C states: "In cases of loss of materials or goods, keeping back materials or goods for private use and selling products in the free market to make a profit--, a fine will be imposed and calculated on the basis of the free market prices of such materials and goods... If the infringement is of a serious nature, the case file shall be submitted to the People's Organ of Control to determine responsibilities in such a criminal case."

On 9 May 1983, the Council of Ministers issued Decision No 133-CT on production guidelines and measures designed to stimulate small industry and handicrafts production. A passage in the part entitled "Some Principal Measures" says: "It is necessary to reexamine the existing cooperation teams and to take measures to strengthen them so that they may have a truly economic collective nature, to eliminate those in disguise and to suspend and disband production and cooperation teams which have refused to register their business or have carried out illegal business activities."

To insure strict implementation of the above-mentioned circulars and decisions, we suggest that the responsible and competent agencies organize control and take appropriate measures to deal with such "ghost" cooperation teams as the Tu Luc team of Mr Hoang Van D. in order to help stabilize and develop the small industry and handicrafts production sector--one which plays a very important role in the production of various kinds of goods designed to meet consumption and export needs.

AGRICULTURE

NHAN DAN EDITORIAL CALLS FOR INCREASED COLLECTIVE INCOME

Hanoi NHAN DAN in Vietnamese 6 Dec 83 p 1

[Editorial: "Increase Income From the Collective Economy"]

[Text] By contracting out production to groups and individual workers, the cooperatives and agricultural production collectives have created a strong motive force for promoting intensive cultivation, increasing the number of growing seasons, and developing production. But at present in many cooperatives and production collectives the development rate of the collective economy is still slow and the cooperative members' income from the collective economy and the general welfare fund has increased little, and in some places not at all. The cooperative members have been more concerned with income from surpassing the contracted-out norms than with increasing the common income.

The key matter in consolidating the cooperatives and production collectives is the solid development of the collective economy in order to create a strong motive force to closely bind the cooperative members to the cooperatives and production collectives.

The output obtained from the contracting-out plan is the principal source of income of the collective economy. Recently, thanks to the motive force of the new contracting-out system, although the level of investment has not increased many cooperatives and production collectives have set contracted-out output norms 10 to 15 percent higher than the actual outputs of past years but the cooperative members have not only fulfilled the norms but have made additional investments to surpass the contracted-out norms. That proves that capabilities to increase grain yields and output are still very great. The cooperatives, production collectives, and workers must positively increase investment in order to increase the contracted-out output and surpass the contracted-out norms by even greater amounts. They must strongly develop collective animal husbandry, and both contract out animal husbandry to the cooperative members and consolidate the pens and feed installations so that concentrated animal husbandry can be profitable, and develop many small industry and handicraft sectors and trades, including the sectors and trades processing agricultural, forestry, and maritime products, the production and repair of agricultural implements and machinery, the production the various kinds of construction materials, the production of artistic handicrafts for export and consumption, and the service and communication-transportation trades in the rural areas. Those are very basic tasks in strengthening the collective economy.

In addition to promoting intensive cultivation and expanding production and commerce it is necessary to raise the management level of the cooperatives and production collectives, have bylaws regarding the collection of products from, and preventing hoarding by, cooperative members, enter strongly into economic accounting, not spend work points and money on things outside the sphere of production, commerce, and management of cooperatives or production collectives, and continually apply advanced techniques and management methods to increase income, reduce expenses, reduce production costs, and operate profitably.

The sectors and echelons must always monitor and improve economic relations with the cooperatives and production collectives; guide and assist the basic level in order to continually strengthen the collective economy; consolidate and perfect the new production relations in the rural areas; promptly supply sufficient quantities of technical materials to serve production according to plans and two-way economic contracts; determine rational grain and agricultural products mobilization rates for the cooperatives and collectives; have equal, fair relations with the cooperatives and collectives; and not force the basic level to bear responsibility for the common requirements of society, beyond the sphere stipulated by the state. Those are practical tasks.

Contracting out output does not create obstacles, but creates new conditions for the collectives and production collectives to strengthen the collective economy. On the basis of the experience that has been gained from the recent production season in which production has been contracted out, the cooperatives and production collectives must complete and improve the contracting out system in all regards, expand production and commerce, increase the collective income, and create a new motive force in order to consolidate the cooperatives and production collectives and win greater victories on the agricultural production front.

5616

CSO: 4209/127

MARINE PRODUCT ACHIEVEMENTS EXCEED GOALS

Hanoi NHAN DAN in Vietnamese 26 Dec 83 pp 1, 4

[Unattributed article: "1983 Marine Products Reach 700,000 Tons (More Than 500,000 Tons of Shrimp, Ocean Fish); 230,000 Tons Marketed, Delivered; Exports Exceed Planned Levels by 15 Percent"]

[Text] This is the third year in which the marine products sector has completed and exceeded state plan levels in the exploitation, raising, marketing, delivery and export processing of marine products.

The 14 provinces and cities achieving and exceeding planned levels in shrimp and ocean fish catches are Ben Tre, Kien Giang, Thai Binh, Cuu Long, Haiphong, Binh Tri Thien, Thuan Hai, Quang Nam-DaNang, Nghe Tinh, Hau Giang, Nghia Binh, Thanh Hoa, Tien Giang and Minh Hai. The 13 provinces and cities achieving and exceeding planned levels in product marketing and delivery are Ben Tre, Dong Nai, Quang Nam-DaNang, Thuan Hai, Nghia Binh, Minh Hai, Kien Giang, Cuu Long, Thai Binh, Haiphong, Binh Tri Thien, Tien Giang and Hau Giang.

The provinces with high marine product outputs such as Kien Giang, Thuan Hai and Minh Hai have all completed and exceeded the plan for product marketing and delivery for the entire year. Thuan Hai caught 69,000 tons of marine products, marketing and delivering 29,600 tons; Minh Hai caught 60,200 tons, marketing and delivering 22,800 tons; and Kien Giang caught more than 56,400 tons, marketing and delivering 19,400 tons. For many years, Nghia Binh has continued to complete the state plan. While the fishing production capabilities of many local areas have declined, Nghia Binh has mobilized a source of capital among the people 16 times larger than the investment capital provided by the state to develop the local fishing industry.

Nearly all the local areas have organized good management, conserved on sources of material supplied by the state, sought additional materials available within the country and concentrated efforts to produce export marine products for self-equilibrium of the fishing industry. By the export route, the marine products sector is importing materials, answering a large part of production requirements and supporting a number of sectors in the local areas.

Many local areas continue to reorganize production, rationally distribute labor on shore and at sea and coordinate production of the fishing industry with the agricultural, forestry and salt making sectors and handicraft trades. The northern and midland coastal provinces have restored their traditional manual

fishing trades with many methods of overcoming difficulties caused by lack of fuel, materials and equipment. Many coastal fishing cooperatives have reorganized production, redefining the scale and direction of the profession consistent with the characteristics and nature of the fishing industry; expanded many sectors and trades, reduced the number of surplus laborers and assisted in completing and exceeding planned production levels. Collective fishing production facilities in the southern provinces have developed production, gained fairly high economic effects, increased labor productivity, improved the living conditions of the fishermen, fully contributed to the state and are attracting increasingly greater numbers of fishermen to collective production.

Areas of water within the interior have been rationally utilized and have produced greater results. Advanced models of fish raising coordinated with the raising of hogs and crops provide a great volume of products and are followed by many other locations. The raising of marine products is being developed along an export support course.

In 1983, the marine products sector exceeded the planned level for the entire year 2 months ahead of schedule. The total output of marine products reached 700,000 tons, including more than 500,000 tons of shrimp and sea fish. There were 230,000 tons marketed and delivered. Marine product exports exceeded the planned level by 15 percent.

7300

CSO: 4209/139

HEAVY INDUSTRY AND CONSTRUCTION

CENTRAL VIETNAM ELECTRIC POWER CORPORATION STRESSES CONSERVATION

Hanoi NHAN DAN in Vietnamese 26 Dec 83 p 1

[VNA News Release: "Central Vietnam Electric Power Corporation Produces Additional 4 Million Kilowatt-Hours of Electricity With Conserved Fuel"]

[Text] By 24 December, the Central Vietnam Electric Power Corporation had produced 190 million kilowatt-hours of electricity, completing the plan for producing and distributing electricity to production facilities and for consumption in the six provinces of central Vietnam. The corporation encouraged electric power services and electric power plants in the area to use fuel conserved during the year to produce an additional 4 million kilowatt-hours of electricity.

The corporation coordinated with Machine Tool Manufacturing Plant 1 (of the Ministry of Engineering and Metals), the Dong Anh Electric Equipment Repair Plant (of the Ministry of Power), the DaNang Polytechnic College, etc. to produce tools, repair machinery and raise the efficiency of electric power generators.

Nearly 70 percent of the electric power output has been distributed by the corporation to production facilities. The supply and curtailment of electric power by previously announced schedules has assisted the industrial production facilities to arrange their shifts, to organize production and to avoid a situation of passively waiting for electricity. The grain production area has received special priority from the corporation in electric power supply. A total of 64,000 hectares of water rice is regularly supplied electricity, assuring the requirements of fresh water even during the period of drought at the beginning of the year. The corporation has constructed many power lines and transformer stations for delivery of electric power to high yield rice areas 30 to 40 kilometers from the power plants.

Firmly managing the source of diesel fuel, increasing the efficiency of generators, resisting the loss of electricity on the power lines and using wasted electricity, the electric power facilities in central Vietnam have decreased the amount of fuel compared with the norm for each kilowatt hour of electric power by 2 to 10 grams.

HO CHI MINH CITY SAID TO EDUCATE POOR CHILDREN

Hanoi NHAN DAN in Vietnamese 6 Dec 83 p 2

[Article by Chu Uyen: "Tens of Thousands of Uneducated Children Able to Attend School"]

[Text] Immediately after the liberation, Ho Chi Minh City rapidly nationalized the private schools and created all favorable conditions for all children of all categories of people to enjoy the right of education. However, basic studies in 1981 revealed that there were still more than 80,000 children under 15 years old in the city who had not yet attended school. In most cases, because of difficulties encountered in their families' economic lives, those children had to remain at home to work or to do housework so that their parents or brothers and sisters could go to work. Such children could not attend school every day, like the other children in their age group.

The Municipal Party Committee and Municipal People's Committee decided to hold night classes, bear all expenses for material bases and for paying the teachers, and provide additional textbooks, pens, and ink for the pupils. Especially poor children were also provided food, clothing, and scholarships. The cadres, workers, and laboring people responded warmly to the "Day of labor by all the people for the future of our children," in order to create a fund to sponsor the poor children. Thousands of general school teachers who were very busy with their day classes also taught at night. Every night Youth Union members went to the schools to guide the children in unit activities. The day pupils also shared their books, pencils, and exercise books with their poor friends. The result was the creation of a movement for all the people to care for, educate, and help the poor children go to school.

Only a few months later each subward in the city had a "local popular general school" for children to study at night. Many subwards organized "work-study" schools to teach both academic and vocational subjects and create stable incomes so that the children could be at ease in their study. In the areas outside the city, where long distances must be travelled, the teachers go to each hamlet to hold classes at people's homes or to teach the children to read.

During the past 2 years, 272 local popular general schools in the city have admitted to Level I more than two-thirds of the previously uneducated children. In Precinct 2, Thu Duc, Hoc Mon, etc., more than 80 percent of the children are in school. Many of the children have completed two grades and are continuing to attend school regularly. Tens of thousands of the children have become members of the Ho Chi Minh Vanguard Teenagers Unit and have been recognized as good nephews of Uncle Ho.

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